

20th March 1928

THE  
**LEGISLATIVE ASSEMBLY DEBATES**

(Official Report)

Volume II

*(8th March to 27th March, 1928)*

---

**SECOND SESSION**

OF THE

**THIRD LEGISLATIVE ASSEMBLY, 1928**



DELHI  
GOVERNMENT OF INDIA PRESS  
1928

# CONTENTS.

VOLUME II—8th March to 27th March, 1928.

	PAGES.
<b>Thursday, 8th March, 1928—</b>	
Message from the Council of State ... ..	1159
The General Budget—General Discussion— <i>concl'd.</i> ... ..	1159-94, 1196-1219
Statement of Business ... ..	1195
The Steel Industry (Protection) Bill—Presentation of the Report of the Select Committee ... ..	1195
<b>Saturday, 10th March, 1928—</b>	
Questions and Answers ... ..	1221-33
Unstarred Questions and Answers ... ..	1134-39
Motion for Adjournment—Lockout at Lillooah on the East Indian Railway—Ruled out of order ... ..	1239-41
Motion for Adjournment—Announcement made by His Excel- lency the Commander-in-Chief on the 8th March, 1928, in con- nection with the Report of the Sandhurst Committee—Leave granted ... ..	1241-44
The Indian Territorial Force (Amendment) Bill—Presentation of the Report of the Select Committee ... ..	1244
The Auxiliary Force (Amendment) Bill—Presentation of the Report of the Select Committee ... ..	1245
The Indian Succession (Amendment) Bill—Presentation of the Report of the Select Committee ... ..	1245
The General Budget—List of Demands—	
Demand No. 16—Customs—	
Abolition of the export duty on raw hides ... ..	1245-56
Continuous increase in expenditure ... ..	1256-59
Export duty on jute ... ..	1259-66
Using the income derived from the protective duties for the general expenditure of the Central Government ... ..	1266-74
Policy: Viramgam Customs Cordon ... ..	1274-82
Rebate of Customs Duty on Scientific Instruments and Chemicals imported for the <i>bona fide</i> use of Educational and Scientific Institutions ... ..	1282-83
Motion for Adjournment—Announcement made by His Excel- lency the Commander-in-Chief on the 8th March, 1928, in connection with the Report of the Sandhurst Committee— Adopted ... ..	1283-1306
<b>Monday, 12th March, 1928—</b>	
Questions and Answers ... ..	1307-13
Unstarred Questions and Answers ... ..	1313-21
The Indian Mines (Amendment) Bill—Presentation of the Report of the Select Committee ... ..	1321

CONTENTS—*contd.*

PAGES.

**Monday, 12th March, 1928—*contd.***The General Budget—List of Demands—*contd.*

Demand No. 16—Customs— <i>concl'd.</i> ... ..	1321-39
Export duty on rice ... ..	1321-26
Inadequate and insufficient representation of minorities and the Mussalmans in all branches of the Customs Services ... ..	1326-39
Demand No. 17—Taxes on Income ... ..	1339-66
Conditions of recruitment, qualifications, pay and promotion of officers in the Income-tax Department, Bombay	1339-41
Grievances of the Assessees ... ..	1341-52
Defective Working of Devolution Rule No. 15 ... ..	1353-55
Equitable Share to Provinces ... ..	1355-58
Incomes of Shipping, Insurance and Banking Concerns ... ..	1358-64
Levy of Income-tax in Upper Burma ... ..	1364-66
Appendix ... ..	1367

**Tuesday, 13th March, 1928—**

Member Sworn ... ..	1369
Questions and Answers ... ..	1369-71
Unstarred Questions and Answers ... ..	1371-78
The General Budget— <i>contd.</i>	
List of Demands— <i>contd.</i>	
Demand No. 72—Miscellaneous ... ..	1379-1407
The Indian Statutory Commission ... ..	1379-91
Delegation to the International Labour Conference and allowances paid to Delegates and Advisers ... ..	1391-98
Delegation to the Assembly of the League of Nations ... ..	1399-1407
Message from the Council of State ... ..	1407
The General Budget— <i>contd.</i>	
List of Demands— <i>contd.</i>	
Demand No. 82—Expenditure in England under the control of the Secretary of State for India ... ..	1408-22
Powers of the Secretary of State for India ... ..	1408-11
The India Office being a reactionary <sup>c</sup> body not wanted by India ... ..	1411-22
Demand No. 40—Central Board of Revenue ... ..	1422-28
Lack of uniformity in the system and incidence of tax collection ... ..	1422-27
Non-appointment of Burmans to the superior grades of the departments under the control of the Board ... ..	1427-28

**Wednesday, 14th March, 1928—**

Questions and Answers ... ..	1429-39
Unstarred Questions and Answers ... ..	1439-42
The General Budget—List of Demands— <i>contd.</i>	
Demand No. 74—North-West Frontier Province—	1443-68
Introduction of Reforms in the North-West Frontier Province ... ..	1443-63
Necessity of strengthening the judiciary ... ..	1463-68
Demand No. 38—Army Department—	
For obvious reasons (The policy and expenditure) ... ..	1468-90

CONTENTS—*contd.*

Thursday, 15th March, 1928—

	PAGES.
Bill passed by the Council of State laid on the table	... 1491
The General Budget—List of Demands— <i>contd.</i>	
Demand No. 38—Army Department— <i>concl'd.</i>	
For obvious reasons (The policy and expenditure)	... 1491-1532
Demand No. 28—Executive Council.	
On the principle that there should be no square pegs in round holes	... 1532-48
Demands Nos. 18—27	... 1549-51
Demands Nos. 29—37	... 1551-52
Demand No. 39	... 1552
Demands Nos. 41-71	... 1552-57
Demand No. 73	... 1558
Demands Nos. 75—81	... 1558-59
Demand No. 83	... 1559
Demands Nos. 84—94	... 1559-61

Friday, 16th March, 1928—

Member Sworn	... 1563
Statement of Business	... 1563
Statement laid on the Table	... 1563-71
The Indian Finance Bill—Discussion on the consideration of clauses adjourned	... 1572-1632

Saturday, 17th March, 1928—

Questions and Answers	... 1633-39
Unstarred Question and Answer	... 1639
The Indian Finance Bill—Discussion on the motion to pass adjourned	... 1639-89

Monday, 19th March, 1928—

Questions and Answers	... 1691-1706
Unstarred Questions and Answers	... 1706-16
The Indian Finance Bill—Passed	... 1716-57
The Indian Merchant Shipping (Amendment) Bill—Passed as amended	... 1758-66
The Indian Tariff (Amendment) Bill—Discussion on the consideration of clauses adjourned	... 1766-72

Tuesday, 20th March, 1928—

Questions and Answers	... 1773-76
Unstarred Question and Answer	... 1776-77
Resolution <i>re</i> Financial Irregularities relating to the Sambhar Salt Improvement Scheme—Negatived	... 1777-1805
Resolution <i>re</i> Export of Sacred Objects and Indian Antiquities—Withdrawn	... 1805-13
Resolution <i>re</i> Sugar Industry in India—Discussion adjourned for want of a quorum	... 1813-26

CONTENTS—*contd.*

	PAGE:
<b>Wednesday, 21st March, 1928—</b>	
Questions and Answers ... ..	1827-29
Unstarred Questions and Answers ... ..	1829-32
The Indian Tariff (Amendment) Bill—Passed as amended ... ..	1833-39
The Steel Industry (Protection) Bill—Passed as amended ... ..	1839-63
The Indian Territorial Force (Amendment) Bill—Passed as amended ... ..	1863-91
Election of the Standing Finance Committee ... ..	1891
Election of the Standing Finance Committee for Railways ... ..	1891
Election of the Panel for the Central Advisory Council for Railways ... ..	1891
Election of the Public Accounts Committee ... ..	1892
The Auxiliary Force (Amendment) Bill—Passed as amended... ..	1892
<b>Thursday, 22nd March, 1928—</b>	
The Hindu Child Marriage Bill—Presentation of the Report of the Select Committee ... ..	1893
The Indian Succession (Amendment) Bill—Passed as amended ... ..	1893-94
The Reservation of the Coastal Traffic of India Bill—Motion to circulate adopted ... ..	1894-1901
The Special Marriage (Amendment) Bill—Motion to circulate adopted ... ..	1901-17
The Hindu Inheritance (Removal of Disabilities) Bill—Passed ... ..	1917-18
The Indian Merchant Shipping (Amendment) Bill—Motion to circulate adopted ... ..	1919-20
The Indian Divorce (Amendment) Bill—Motion to circulate adopted ... ..	1920-22
The Indian Penal Code (Amendment) Bill—Immunity of Members of unregistered Trade Unions, etc., from the consequence of the Conspiracy Law—Motion to circulate adopted ... ..	1922-24
The Hindu Marriages Dissolution Bill—Introduced ... ..	1924
The Hindu Law of Inheritance (Amendment) Bill—Introduced ... ..	1924
The Indian Life Assurance Companies (Amendment) Bill—Introduced ... ..	1925
The Hindu Marriages Dissolution Bill—Motion to circulate adopted ... ..	1925
The Hindu Law of Inheritance (Amendment) Bill—Passed ... ..	1925-26
<b>Monday, 26th March, 1928—</b>	
Member Sworn ... ..	1927
Questions and Answers ... ..	1927-54
Unstarred Questions and Answers ... ..	1954-63
Messages from the Council of State ... ..	1963-64
Election of the Standing Finance Committee ... ..	1964
Election of the Public Accounts Committee ... ..	1965
The Land Acquisition (Amendment) Bill—Withdrawn ... ..	1965-66
The Child Marriage Restraint Bill—Motion to circulate adopted ... ..	1966-79
The Caste Disabilities Removal Repealing Bill—Motion to circulate negatived ... ..	1979-84

CONTENTS—*concl'd.*

PAGES.

**Monday, 26th March, 1928—*cont'd.***

The Interest Restriction Bill—Withdrawn	...	...	1984-89
The Indian Limitation (Amendment) Bill—Motion to circulate adopted	...	...	1989-90

**Tuesday, 27th March, 1928—**

Member Sworn	...	...	1991
Questions and Answers	...	...	1991-2004
Unstarred Questions and Answers	...	...	2005-18
Election of the Public Accounts Committee	...	...	2018
Election of the Standing Finance Committee for Railways	...	...	2018
Election of the Panel for the Central Advisory Council for Railways	...	...	2019
The Chittagong Port (Amendment) Bill—Passed	...	...	2019-27
The Indian Mines (Amendment) Bill—Passed, as amended	...	...	2027-48
Demands for Excess Grants	...	...	2048-52
Demands for Supplementary Grants	...	...	2052-62
Resolution <i>re</i> Draft Conventions and Recommendation of the Tenth International Labour Conference regarding Sickness Insurance—Adopted	...	...	2063-77

# LEGISLATIVE ASSEMBLY.

Tuesday, 20th March, 1928.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

## QUESTIONS AND ANSWERS.

### REFUSAL OF THE CONCESSIONS GRANTED IN CONNECTION WITH THE RECENT MOVE OF THE OFFICE OF THE DIRECTOR-GENERAL OF POSTS AND TELEGRAPHS FROM CALCUTTA TO DELHI TO 19 CLERKS OF THAT OFFICE.

488. \*Mr. Anwar-ul-Azim: (a) (i) Is it a fact that out of about 220 clerks only 19 clerks of the office of Director General, Posts and Telegraphs, have been deprived of the concessions granted in connection with the recent move of that office from Calcutta to Delhi?

(ii) Are Government aware of the great discontent prevailing among the 19 men?

(iii) Are not these men on the same cadre and prospects as the rest of the clerks of that office who have been granted concessions?

(iv) Were not all 19 men recruited for service in the office of the Director General, Posts and Telegraphs, Calcutta and Simla, and were not their services interchangeable?

(b) Have the concessions been given to the clerks and assistants who have not actually moved to Delhi and who are not even expected to move to Delhi in the near future? If so, why and from what date?

(c) How many clerks and assistants beyond Calcutta and its neighbourhood have been given the concessions, and what are the reasons, if any, for withholding these concessions in the case of others residing in other provinces, other conditions being equal?

**The Honourable Sir Bhupendra Nath Mitra:** (a) (i) Yes.

(ii) The refusal to grant any concessions asked for is sure to cause some discontent.

(iii) Yes.

(iv) Yes.

(b) Yes, with effect from the 1st November 1926, to 2 clerks only as they fulfilled the conditions on which the concessions were given.

(c) All clerks who were transferred from Calcutta to Delhi with the move of the office to Delhi were granted the concessions except those who did not hold permanent appointments on 5th August, 1926, the date of issue of Government orders.

**Mr. Anwar-ul-Azim:** Will the Honourable Member in charge of the Postal and Telegraph Department kindly tell us whether it is a fact that the few Moslems who are there in the office of the Director General of Post Offices were mostly recruited either at Simla or Delhi? If the proposed concession is changed will they be the persons who will be hit hardest?

**The Honourable Sir Bhupendra Nath Mitra:** The reply to the question contained in the first part of the observation is in the affirmative.

#### EXAMINATION FOR TIME SCALE CLERKS IN THE POSTAL DEPARTMENT.

489. **\*Mr. G. Sarvotham Rao:** (a) Will the Government be pleased to state whether they have recently prescribed an examination test for the time scale clerks in the Postal Department for promotion to the selection grade of Rs. 160—250 and if so, what is the reason for introducing the examination?

(b) Is it a fact that the All-India Postal and R. M. S. Union, Calcutta, made a representation to the Director-General, Posts and Telegraphs, pointing out the severity of the syllabus and the hardship that would be caused to the senior officials of advanced age by making them undergo the ordeal of an examination and requested that officials who have put in 20 years' service be exempted from the examination?

(c) Is it a fact that the rules for the examination have been subsequently modified relaxing only some of the rules but no exemption was granted to the senior officials from appearing at the examination?

(d) Have not these officials worked in various capacities in all the branches of the Head Office, and have held independent charges of several sub-offices and have also crossed two efficiency bars?

**The Honourable Sir Bhupendra Nath Mitra:** (a) The examination was prescribed by the Director-General with the approval of Government. The reason for introducing the examination is to provide a test to ascertain whether the officials due for promotion possess the requisite knowledge of English and of the rules of the department.

(b) Yes.

(c) Yes.

(d) The mere fact of holding charge of sub-offices and crossing efficiency bars in the time-scale is no proof of fitness for selection grade posts which involve duties of a more responsible nature.

#### INSTALLATION OF ELECTRIC FANS IN THE RAILWAY MAIL SERVICE SORTING OFFICE IN MADRAS.

490. **\*Mr. G. Sarvotham Rao:** (a) Will the Government be pleased to state whether it is a fact that about 150 officials are working in the Madras Railway Mail Service sorting office?

(b) Is it a fact that the sorting office is not fitted with electric fans although there are electric lights in the building?

(c) Is it a fact that electric fans have been provided for the Park Town Post Office located in a portion of the same building?



(d) Is it a fact that the staff have been making repeated representations to the Government for the last three years to provide the building with fans as the heat is unbearable in summer in Madras and as they have to work under very great pressure and with very inadequate accommodation?

(e) Is it a fact that the Government have replied every time to the representation that arrangements are being made for installation of fans but nothing has been done till now?

(f) What is the reason for the abnormal delay in getting the work done?

**Mr. H. A. Sams:** (a) Yes.

(b) Yes.

(c) No.

(d), (e) and (f). Attention is invited to the reply given on 26th March, 1927, to item (c) of Diwan Chaman Lall's starred question No. 1209.

**ALLEGATIONS AGAINST LIEUTENANT SHUJAT ALI OF THE RAILWAY MAIL SERVICE, "T" DIVISION.**

491. **\*Mr. G. Sarvotham Rao:** (a) Will the Government be pleased to state whether they have perused the editorial article under the heading "Regime of Lt. Shujat Ali in the R. M. S., 'T' Division", published in the General Letter for the November 1927 issue by the Madras Provincial Branch of the All-India Postal and R. M. S. Union?

(b) Have the Government also perused the correspondence and the statements of transfers, punishments, etc., published in the same General Letter at pages 357 to 360?

(c) Have the Government perused copy of an article on "Notes from all sources" published at page 360 of the same General Letter?

(d) What is the nature of the action taken by the Government on the publication of the above materials?

(e) Have the Government deputed any high officer from the Directorate to investigate into the allegations and to deal properly with the official if he is found guilty of all the allegations? If not, why not?

**Mr. H. A. Sams:** (a) to (c). Yes.

(d) The Postmaster General, Madras Circle, has been asked to look into the allegations. The Postmaster General has already reported that the transfers were justified. I told the Honorary General Secretary of the All-India Union that if he gave me a signed memorandum on the subject, I would order a full investigation...

(e) No. Government considers that the Postmaster General, Madras, is fully competent to inquire into the allegations.

**MANAGEMENT OF THE DARJEELING-HIMALAYAN RAILWAY.**

492. **\*Mr. K. C. Neogy:** What are the intentions of Government about the future management of the Darjeeling-Himalayan Railway whose contract is due to expire in the near future?

**Mr. A. A. L. Parsons:** The matter is now under examination.

**EXTENSION OF THE DIFFERENT PROVISIONS OF THE INDIAN BAR COUNCILS ACT TO THE VARIOUS HIGH COURTS.**

493. \***Mr. K. C. Neogy:** Will Government be pleased to make a statement giving the dates on which the different provisions of the Indian Bar Councils Act were extended to the different High Courts?

**The Honourable Mr. J. Orerar:** The Act applies to the Chartered High Courts mentioned in section 1(2). It has been applied to the Chief Court of Oudh also. Some of its provisions are already in operation—*vide* section 1(3). All the remaining provisions have been brought into force in respect of the Chief Court of Oudh with effect from the 1st March, 1928, and sections 3 to 7 in respect of the Calcutta High Court with effect from the same date. For the rest, the provisions not yet in general operation will be brought into force with effect from the dates on which the rules to be made under the Act by the High Courts are ready. It is hoped that these dates will be announced shortly.

---

**QUESTION NOT PUT, OWING TO THE ABSENCE OF THE QUESTIONER, WITH ANSWER THERETO.**

**TRAINING OF INDIAN BOYS IN MILITARY AVIATION.**

487. \***Dr. B. S. Moonje:** (a) Have Government seen the newspaper reports as published in the *Amrita Bazar Patrika* of Calcutta of 3rd March, 1928, page 9, of the Afghan Government sending 25 Afghan boys to Italy for training as military aviators?

(b) Do the Government propose to take similar action for the training of Indian boys in military aviation in connection with the University Training Corps or Urban or Provincial Corps of the Territorial Forces and if so, what are the Government proposals in the matter?

**Mr. G. M. Young:** (a) Yes, Sir.

(b) The Honourable Member is referred to my speech in this House on the 10th March, which contains a full description of the proposals of Government in regard to the training of Indian boys as military aviators. There is no proposal to train Indian boys in connection with the Territorial Force or the University Training Corps.

---

**UNSTARRED QUESTION AND ANSWER.**

**PUBLICATION OF SOUTH INDIAN INSCRIPTIONS.**

414. **Mr. V. V. Jogiah:** (a) What was the last date of publication of the latest volume of the South Indian Inscriptions?

(b) How much time will it take to publish the inscriptions copied in the year 1927?

(c) Have the Epigraphists been instructed to allow transcripts also along with the impressions to help scholars in their historical and philological research?

(d) Is it a fact that the impressions of the inscriptions copied by the Epigraphic Department will not be allowed to the public for 2 years after their copying?

**Mr. G. S. Bajpai:** (a) November, 1926.

(b) It is hoped to publish the more important inscriptions collected in 1927 during the year 1928-29. The inscriptions of lesser importance will be published later.

(c) and (d). Impressions are already made available to the public as soon as they have been published or after two years from the date when they are deciphered, whichever is earlier. Generally this rule is also observed in respect of transcripts, though transcripts which the Department proposes to publish eventually are not usually made available to scholars in advance of publication. The Department is always ready to give scholars assistance in connection with their research work, and will consider sympathetically requests for relaxation of the ordinary rule in special cases.

\*415 to 427.

---

#### RESOLUTION RE FINANCIAL IRREGULARITIES RELATING TO THE SAMBHAR SALT IMPROVEMENT SCHEME.

**Mr. K. O. Neogy** (Dacca Division: Non-Muhammadan Rural): Sir, I beg to move:

"That this Assembly recommends to the Governor General in Council that a Committee of official and non-official Members of this House be appointed to make a thorough investigation into the financial irregularities relating to the Sambhar Salt Improvement Scheme referred to in the Report of the Public Accounts Committee for 1925-26."

Sir, I do not think I will be accused of exaggeration if I were to say that this is the greatest scandal, the greatest financial scandal, that has come to light since the institution of the Public Accounts Committee. Even the Government of India do not seek to minimise the gravity of the irregularities that have been brought to light, and in one place in a memorandum on this question they say that the irregularities reduce the expenditure of public funds to a state of chaos. The Public Accounts Committee also have stated that the seriousness of the case is difficult to exaggerate. Sir, Sambhar is one of the main sources of salt supply in India, and for some time past there has been a sort of speculation as to how far the supply of salt at that place was dependent upon rainfall. Some salt experts have been of opinion that there is a definite co-relation between the monsoon and the output of salt at that place. But when I looked into the report of the administration of the Northern India Salt Revenue Department for 1918-19, I was a little doubtful as to whether there was any definite proof about this matter. There is a graph appended to this report which I have tried to study to the best of my ability, and it does not, in my view, establish any definite co-relation which is sought to be established by some of the officials. Then, again, some observations made

[Mr. K. C. Neogy.]

in paragraph 19 of that report also do not bear out to the fullest extent the expert view in this matter. However, Sir, for the last 20 years or so, attempts have been made to remove the elements of uncertainty which were considered to be dependent upon the uncertainties of the monsoon, as far as possible; and we find that in the reports dealing with the years 1905-06 onwards, there is reference to the fact that several canals have been constructed in that area, the manufacturing area has been extended and other minor improvements effected which, according to the opinion of the experts, had to a very large extent counteracted the elements of uncertainty in this matter. Satisfaction, I find, is expressed year after year in the Administration Reports beginning from 1905-06, about the results achieved by the construction of certain canals which have enabled the department to tap the subterranean currents of salt to a much larger extent than before. But when we come to the year 1918-19 we find that doubts are expressed as to the value of these improvements, and for the first time a suggestion is made that a scientific investigation might be carried out and further improvements might be taken in hand. When I looked into the figures relating to the average output of the previous years, I did not find anything there to justify this pessimism in the year 1918 or 1919. Then it struck me that perhaps there was a change in the personnel of responsible officers at that time which led to this change in the outlook; and I found that Mr. Ferguson who has been in charge of the department ever since 1918-19 was for the first time appointed to this department in that year. So, the idea of having some further improvements effected started with Mr. Ferguson. Just at that time, a scientist in the person of Sir Thomas Holland officiated for Sir George Barnes as the Commerce Member, and in the year 1919 it appears that Sir Thomas Holland and Mr. Ferguson put their heads together and decided to undertake further improvements on a scientific basis. Speaking in the Legislative Assembly in March, 1921, Sir Thomas Holland made reference to the considerations that had led him to import an officer, an Engineer by the name of Captain Bunting, from the United Provinces to undertake the necessary improvements. It seems that the United Provinces are a sort of hot-bed of salt experts. I am told that Mr. Ferguson comes from those provinces, and the expert, Captain Bunting, also came from the same place.

Now, Sir Thomas Holland, Mr. Ferguson and Captain Bunting hatched a new scheme of improvements, which to all appearances was of a very scientific character. Sir Thomas Holland claimed that if he were allowed a free hand, if the Assembly were to allow him sufficient funds for carrying on his scheme, he would be in a position to flood the market with cheap salt. That is the claim which he put forward in March 1921. Then again we find a reference to this scheme the next year in connection with the Budget, by Sir Charles Innes, who was in charge of the Commerce and Industry Department at the time. Opposing certain proposals for the reduction of the salt grant, he definitely made the statements that the scheme of improvements was going to greatly increase the supply of salt, that the price of salt to the consumer would go down as a result of the improvements, and that there would be a direct return from the salt revenue also. Honourable Members will find the speech at page 8081 of the proceedings of the Assembly, dated the 15th March, 1922.

Now, Sir, none of these visions, either of Sir Thomas Holland or of Sir Charles Innes, has come true, but I will deal with that later. The next we hear about the scheme is in the autumn of 1925, when the Public Accounts Committee dealt with the Audit and Appropriation Report of 1923-24. At that time certain gross financial irregularities on the part of officers in charge of the scheme were brought to light, and I find that even the Honourable the Finance Member, who is Chairman of the Public Accounts Committee, on that occasion reflected upon the affection of the particular Executive Engineer for cutting Gordian knots too freely. But the grossest irregularities had yet to come to light. The next year, in the autumn of 1926, when the Public Accounts Committee dealt with the accounts of the year 1924-25, the Committee had before them the Audit and Appropriation Accounts of the Central Government for the year 1924-25, in which the Auditor General had summarised certain main features of the report of the special audit officer who had undertaken the audit of this work. Honourable Members will find in paragraphs 44 and onwards of the audit and appropriation accounts of the Central Government for the year 1924-25 this summary of the serious indictment which the audit officer brought against the administrative officers in charge. The nature of the financial irregularities will be evidenced from the following summary which is contained in paragraph 45 of that report. I am quoting from the summary :

“(a) Estimates were prepared on a very liberal scale. A large number of items were included in the estimates which were either not required or not actually carried out, the savings being spent on unauthorised works.

(b) The financial effect of the various schemes put up by the Executive Engineer was not so carefully worked out and scrutinized as it should have been.

(c) Very large sums of money were included in the estimates under ‘Establishment and Tools and Plant’ although very little was really required or actually spent under that head. The amounts thus provided were spent on unauthorised objects.

(d) The estimates were largely exceeded and in order to avoid any objection in audit the accounts were so manipulated mostly on a fictitious basis as not to reveal such excesses.

(e) Large sums of money were spent on unauthorised works without the knowledge or sanction of competent authority.

(f) Various other breaches of financial rules were committed, such as irregular payments to contractors, withdrawal of money from the treasury to avoid lapse of grant, expenditure not permitted by rules, etc.

(g) Fictitious adjustments were made to avoid lapse of grants or to conceal excesses over allotments or estimates.

(h) Funds sanctioned by the Government of India were irregularly supplemented either by sending bills to another disbursing officer to be paid from his ‘Manufactures’ grant or by raiding the Maintenance grant sanctioned for the Electric Power House and the running of pumps.”

Sir, it is also stated in this report that the work which was started in May 1920 was brought to a close in March, 1924, and that the whole scheme cost the public 35½ lakhs of rupees. Then the report proceeds to give specific instances. I do not suppose it is an exhaustive account of the whole thing, but perhaps certain prominent instances only are given in the report. I will not tire the patience of the House by going into all of them, but I will just mention a few instances to enable the House to realise the gravity of the whole position.

First of all let us come to paragraph 57 of the report. In this paragraph reference is made to an overhead water tank which had been sanctioned by Government at an estimated cost of Rs. 7,810. When

[Mr. K. C. Neogy.]

this was completed it had taken the shape of a two-storeyed bungalow surmounted by a huge concrete dome, on the top of which was an electric light, 1,000 candle power strong, and the building was utilised as a club house for the officers, expensive staircases, billiard tables, electric fans and lights, etc., were provided, and the cost was Rs. 23,000, excluding fittings and electrification charges.

Now the Audit Report says:

"No sanction of any higher authority was obtained and the disbursing officer incurred this large expenditure on his own responsibility, additional funds required for the purpose being obtained in an irregular manner from various sources relating to the Improvement Schemes for which a large sum of money aggregating about Rs. 33,00,000 was placed at his disposal. No rent is charged for the use of the building as a club nor for the electric installation, and electric current is supplied free of charge."

Now let us come to another instance. An electric power house was set up on the plea that if the monsoon failed, then for a period of six weeks in the year electricity might be required to work the pumps. A period of six weeks in twelve months in case the monsoon failed! And look at the manner in which this was executed. Honourable Members will find reference to this in paragraph 89, as also paragraph 67 of the Audit and Appropriation Report for 1924-25. For the maintenance of an electric power house a large sum of money was placed at the disposal of a certain disbursing officer. The name is not mentioned in this report at all, but it is an open secret that this disbursing officer was the officer with whom we are just now dealing.

Now what happened afterwards was that the electric installation led to the free supply of current to all officers' bungalows. Not only that, the officer in charge undertook an extension for several miles in order to reach a particular station on the Bombay, Baroda and Central India Railway where power was supplied to the Railway Company at the rate of 2 annas 6 pies to 3 annas per unit, whereas the cost of generation was 6 annas per unit. Then, again, another electric line was taken to a neighbouring city and there also electric energy was supplied at between 2 annas 6 pies to 3 annas, whereas the cost of generation was 6 annas. Then, again, a third electric line was extended to a garden of a particular individual and the cost was debited to the maintenance grant of the power house. Then, there is the fourth instance in which the current was supplied to a railway station master free of charge. All this was done without any sanction whatsoever, the main pretext for setting up the generating plant being that electric energy might be required for six weeks in any year when the monsoon might fail. Now, when this quantity of electricity was supplied to these private parties at below cost price, it was found that the maximum generating capacity of the plant had been exceeded, and therefore some additional machinery had to be installed again. Now, Sir, this additional machinery was installed for the purpose of enabling the Bombay, Baroda and Central India Railway, and other private parties to continue to enjoy the supply of electricity at half the cost of generation.

But we have yet to come to more serious charges. Certain works which are alleged to have been undertaken by the officer himself and executed departmentally, were shown as having been executed with the

help of contractors. And in the accounts, contractors' bills were actually fudged, that is to say, bills were produced from people describing themselves as contractors who had never been near the works and who had never done anything in connection with the works. They were made to submit fictitious bills, and fictitious receipts also were taken from them for the amounts spent. Honourable Members will find a reference to this case in paragraph 46 of the report. Then, in paragraph 51, Honourable Members will find reference to certain items for which no expenditure was actually incurred nor was there in existence any sanctioned estimate. There is, for instance, the item relating to the wind-mill which is set down at Rs. 5,000, a wind-mill which is absolutely non-existent. Then, Sir, coming to paragraph 60 of the report, the House will find a reference to what is called the copper coin contractor. I am told that the services of a contractor were required for the purpose of distributing small change to the labour force employed there and that was known as the copper coin contract. This is what the report says:

"When this contractor had originally tendered for the Through Traffic contract for the year 1920-21, he had given two rates, viz., Rs. 17/4 per thousand maunds if the contract was for one year only and Rs. 17/8 per thousand maunds if the contract was for 3 years. There were other contracts also though this particular tender was accepted for one year only, but instead of accepting the rate of Rs. 17/4 per thousand maunds as quoted by the contractor himself, he was given the higher rate of Rs. 17/8 per thousand maunds."

Then, again, this contract was extended for two years more and the rate was increased from Rs. 17-8-0 to Rs. 24 without calling for fresh tenders, and the Audit Officer estimates the financial effect of this as a loss of Rs. 76,000. When this matter was brought to the notice of Government they said that the head of the department had committed an error of judgment in this case, and he was informed accordingly. Sir, it was an error of judgment which cost the Indian tax-payer Rs. 76,000. I do not know whether the Government even cared to get an explanation as to why the contractor was given a higher rate than the one he had actually asked for and why, again, this rate was increased much more when an extension was next granted. Sir, I do not want to go into any further specific instances mentioned in the audit report, but I believe I have said enough on this subject to give the House an idea of the various serious charges that have been brought by the Auditor-General's officers and which charges, I may mention, are practically admitted *in toto* by the Government, although they have attempted to whitewash the officers concerned.

Now, Sir, when this state of affairs was brought to the notice of the Public Accounts Committee which sat in the autumn of 1926, it recommended by a majority that the matter should be thoroughly investigated by the next following Committee in the autumn of 1927. This is what the Report of the Public Accounts Committee on the accounts of 1924-25 says in paragraph 27 on this subject:

"Some members of the Committee were inclined to think that in view of the difference of opinion which have been disclosed between the audit authorities and the Salt Department and of the fact that the Government of India are involved in the question of the insufficiency of the control exercised from headquarters, the most suitable method of dealing with the case would be to appoint a special committee of investigation. The majority of us, however, are of opinion that the matter, which is

[Mr. K. C. Neogy.]

of outstanding importance, should be left over for a thorough investigation by the Public Accounts Committee of 1927 when all outstanding points have been cleared up and the views arrived at by the Government of India after examination of those facts are on record."

I am told that the "majority" referred to here included the Honourable the Finance Member who was the Chairman of the Public Accounts Committee at the time. Now, Sir, when the Public Accounts Committee of 1927 met in Simla last autumn, they naturally wanted to go into this matter and carry out that obligation which was laid upon them by their predecessor. But, Sir, for some time we were told that the Government were still considering the matter, and that it would not be right for the Committee to go into this question until and unless the Government had come to their own conclusions in the matter. It was at the sag end of the Committee's meetings that they were supplied with a memorandum by the Deputy Secretary, Central Revenues, which gave a summary of the orders of the Government of India in this matter. I will read out just a few passages from that memorandum to show what the attitude of the Government in this matter is. This is what we find in this memorandum:

"The Government see no reason whatever to suppose that Mr. Bunting has wasted public money or that his schemes have not proved beneficial. Figures have been furnished which show that they have stabilized the production of salt at Sambhar, formerly so precarious and fluctuating, and the Commissioners claim that they have helped to solve the labour problem there would appear to be well founded. They have rendered working more economical in some respects, and have obviated the necessity for pursuing the brine all over the lake area, by means of hastily constructed temporary canals in the old manner. It is important to remember that it is the stabilisation of output and simplification of manufacture that they were designed to secure rather than any direct financial yield."

Now, Sir, the Honourable the Finance Member had evidently not looked up the statements made by Sir Thomas Holland and Sir Charles Innes in the Legislative Assembly in 1921 and 1922, because if he had done so he would have seen that it was definitely claimed that this improvement scheme would result in a larger output and a reduction in the price of salt. Now the Government turn round and say, "Well, these were not the results aimed at; what was aimed at was stabilisation of supply". Now, Sir, I definitely maintain that even if this stabilisation has been achieved, the irregularities which have been brought to light cannot be condoned. Supposing even that this improvement scheme had resulted in actual economy of expenditure and had led to a reduction in the price of salt, even then I maintain that having regard to all the irregularities of the grossest character that have been brought to light Government are not justified in trying to white-wash the officers concerned.

Sir, I will examine now the Government defence as to whether the scheme has been generally beneficial, whether the output has been standardised and whether there has been no loss to the tax-payer. As to the financial effect of this scheme, I have only to refer to the letter of the Auditor General accompanying the Audit and Appropriation Accounts of the year 1925-26, where he points out that the Sambhar Lake salt works were responsible for a net loss of about 4½ lakhs in the year 1925-26. Government have attempted to meet a portion of this loss by actually putting up the price of salt by 3 pies per maund, and even then there is a deficit. This is the net financial benefit of the improvement



scheme. It will be remembered, Sir, that the improvement scheme has cost 35½ lakhs. If we take interest on this amount at 5 per cent., depreciation at 2½ per cent., maintenance and increased establishment charges at 2½ per cent., say a total of 10 per cent. which has been added to the cost of manufacture nearly by reason of the improvement scheme, we find that this comes to about 3½ lakhs. These recurring charges consequent upon the improvement scheme amount to 3½ lakhs out of a total deficit of 4½ lakhs mentioned by the Auditor General in his letter. Therefore, Sir, I do not think my Honourable friend would be quite right in seeking to defend his officers on the plea that the scheme itself had proved beneficial to the tax-payer. Now let us see whether the element of uncertainty in the output has been removed, and whether the quantity has been increased or whether the output has been stabilised. In this connection Mr. Lloyd giving evidence before the Public Accounts Committee in the autumn of 1926 claimed that the output had been increased to the extent of 66 per cent. I do not know where he got that figure. I have a great respect for Mr. Lloyd who was a valued colleague of ours in the last Assembly; otherwise I would have said that he actually tried to bluff the Public Accounts Committee when he made these statements. Mr. Lloyd, after referring to the 66 per cent. increase in the production, went on to compare the output for certain periods. He first of all took the periods for the years 1921-22, 1922-23, 1923-24 and 1924-25, and then he compared these figures with regard to output with what he calls the "first 5 years", and he pointed out the great divergence between the quantity produced in what he calls the first 5 years and these few years when the improvement scheme was actually in operation. Now I have failed to get confirmation of the figures quoted by Mr. Lloyd for what he calls the first 5 years. I have looked through the statistics of the past twenty years and I have failed to trace the source of Mr. Lloyd's information on this point. I have myself tried to work out these figures and will give the result to the House. I think that for a proper understanding of the position, the period when the improvement works were actually in progress should be excluded, and we ought to take a period just preceding the undertaking of the improvement scheme and compare the figures for that period with the figures for the period following the completion of the improvement scheme. Thus, Sir, I have taken the figures for the three years preceding the improvement scheme, 1918-19 to 1920-21, and the average annual output works out to about 58 lakhs of maunds. I have next taken the three years succeeding the completion of the improvement scheme, that is to say, 1924-25 and 1925-26, and 1926-27. Figures are available for 1924-25 and 1925-26 in the published reports, and I am obliged to the courtesy of Mr. Sundaram for the figures of the next succeeding year, that is, 1926-27, for which reports are not yet available. When I strike the average I find that the average annual output for this triennium stands at 56 lakhs as against 58 lakhs of the pre-improvement period. Now, Sir, even conceding that the rainfall has anything to do in the matter of determining the output, I have also compared the average rainfall in these two periods. The average annual rainfall of the three years preceding the improvement scheme was 17 odd inches and that succeeding the improvement scheme was about 20 so that it cannot be said there was any shortage of rain. As a matter of fact the rainfall had increased by about 3 inches on an average during the succeeding period. Now, where is the standardisation and where is the

[Mr. K. C. Neogy.]

stabilisation of the output? I hope, Sir, my Honourable friend when he gets up will be able to justify the figures which Mr. Lloyd quoted at page 101 of the evidence volume of the Public Accounts Committee's Report on the accounts of 1924-25.

Now, Sir, . . . .

**Mr. President:** Order, order. Will the Honourable Member have regard to the Standing Order regarding time limit?

**Mr. K. C. Neogy:** I am extremely sorry, Sir. I will not take more than one or two minutes. The scheme can be viewed from two aspects: first of all, as stabilising the output, this, as I have already pointed out, has not been achieved, secondly, as furnishing improved mechanical transport, for which great merit was claimed by Sir Thomas Holland. He said, "Give me the money and I will have mechanical transport which will effect great saving in expenditure". I may mention that in the Audit and Appropriation Accounts of the year 1924-25 specific mention is made that this haulage system has resulted in a net loss to Government. The report says:

"As a matter of fact it appeared that an annual loss of over a lakh of rupees is being incurred on the transport and storage schemes."

That is the financial effect of the mechanical transport.

Sir, I have already taken too much of the time of the House, and I only hope that after listening to me the Honourable Members who are free to vote in this matter will all support me. I claim that I have made out a very strong case for a further inquiry into this matter, an inquiry which was recommended by the Public Accounts Committee in the autumn of 1926 to be made by the Public Accounts Committee of the autumn of 1927 and which inquiry was not allowed to be made by the Honourable the Finance Member.

**Mr. E. F. Sykes** (Bombay: European): Sir, I regret I am not able to support the motion of my friend, Mr. Neogy. (*An Honourable Member:* "Why not?") I have very excellent reasons for not being able to do so. If, as Mr. Neogy has made perfectly clear in his speech, the financial irregularities that he refers to in his Resolution are thoroughly well known, I do not think that we require any further information on the subject. But as a matter of fact what Mr. Neogy has been addressing us about is largely not about financial irregularities which are admitted on all sides, but the technical aspects of the scheme which is a little too complicated to be dealt with in this House. (*An Honourable Member:* "That is why we want a Committee.") We require a Committee if there are any facts that it is necessary to bring to light. The financial irregularities that have been alleged in this case have been thoroughly investigated by the Auditor General: three Committees would not bring out any more information on the subject. As for the rainfall at Sambhar, that is a matter not so much for a Committee of this House as for technical experts; and the advantages of mechanical transport is not exactly a suitable subject for a Committee of this House. But, though I am not able to support Mr. Neogy, I think he has done a service in bringing this motion before the House because the House very rarely gets an opportunity of seeing the inside working of public departments. Now, Sir, I have never belonged to any of the regular

Government services: but from time to time I have done a little work for them; and elsewhere than in Government service I have been working under the financial rules of public departments and I am therefore able to speak with a certain amount of inside information.

I think there is one point in Mr. Neogy's speech which he might have enlarged a little on: he might have congratulated the House and the country that in spite of these gross financial irregularities the whole work appears to have been carried out in perfect good faith and honestly; and he might have congratulated the Government and the country on having such a body of servants at its disposal . . . .

**Mr. K. C. Neogy:** Who says that? How do you assume it?

**The Honourable Sir Basil Blackett** (Finance Member): The Auditor-General.

**Mr. E. F. Sykes:** If there had been any suspicion to the contrary I am quite sure we should have heard of nothing else.

**Mr. K. C. Neogy:** It should be a matter for the police—the C. I. D.

**Mr. E. F. Sykes:** Another point which Mr. Neogy made he might have made a little clearer to the House. I do not know what his experience was in those years; but to put it very shortly everybody was a bit mad. I myself had rather an interesting experience of the matter, because in the year 1919 I took over the control of the works on the Tigris and attempted to reorganise it on the lines of the Punjab Irrigation Department. I cannot detain the House with the details of it, but it was a most extraordinary thing that in the course of four or five years of the war all the good principles that had been instilled in officers during their long service in India had totally evaporated and we had to start afresh and get them round to the regular system. As a matter of fact these facts are perfectly well known to anybody who was concerned with the Finance Department and the application of its rules to the administration of occupied territory. It is very important to note that at that time everybody was full of a spirit, that is now evaporating, that it was necessary to get things done, and the only thing that mattered was to get them done effectively and that all these questions about procedure and form might be disposed of at leisure.

Well, Sir, as I said, I think perhaps Mr. Neogy has done a service in bringing this matter before the House. I think it is pretty clear that as far as the financial irregularities are concerned, it is not necessary to hold any further inquiry. The facts are there. The matter that is really before us is to assess the significance of these facts and to propose remedies against their recurrence. Now, Mr. Neogy, perhaps not having exactly the same kind of experience as I and many other people have, would not quite see what the inference was. The Public Accounts Committee has quite clearly explained that the trouble was that there was not sufficient office staff at hand and the engineer was overworked and he had no financial advisers or staff to see that the accounts were kept in proper order. Of course there was a good deal in this particular case that was irregular; but if I were to explain the case fully to the House I shall have to go over a very long period and take a long time. The facts, however, are briefly these. If you go back twenty years, you would find that an officer in this position would have had two books only to guide him; with the exception that for personal matters the Civil Service Regulations would be his complete guide; and these two books having been compiled at the

[Mr. E. F. Sykes.]

same time and by the same people were quite congruent and you would not find any conflict between one and the other. Now, something less than twenty years ago, new elements came in. Civil accounts and Public Works accounts were amalgamated; so we got another book or two. Then nothing particular happened until the post-war forms came in; and then the officer got something worse than books—he got Devolution Rules; and in place of these two original books he had two books, one the Public Works Code, and the other the Public Works Accounts Code, compiled by different authorities and differing in many respects. For example, if you take those two books and look up the definition of the word “contract”, you find that that word is defined differently. So the accumulation of differences of this kind makes the determination of the form in which work is to be represented extremely difficult. I could quote a lot of cases which you might find sad or which you might find amusing. If a perfectly simple order in one of these books is to be acted on by an officer, he finds that he has often to pursue the matter through several books and finally finish up in the Devolution Rules and the canons of financial purity. I do not know if the House is really interested in these details, but to many of us they are very interesting. However, that is the position, that instead of having a single code for use, an officer has got to handle a large number of books which were compiled at different times by different people with different objects, and he is bound by all of them, and there is no one to tell him except the financial authorities which are the authoritative works.

I think Mr. Bunting's position was that of an Executive Engineer and the financial adviser of an Executive Engineer is also the accountant! One of the most anomalous things that strikes any one who is concerned with this department is the fact that no technical subordinate is allowed to exercise his functions unless he has been to a technical college and received due technical instruction. The financial adviser of the Executive Engineer and divisional accountant comes in to the service by various ways, but the one thing that can be said of him is that he has had no specific training to enable him to perform his duties. The consequence is that you find that many of them by their natural abilities and industry become highly professional; but there is no guarantee that all of them will do so. Further I may point out that if you go higher in the service, you find officers may be appointed to the Audit and Accounts Department without the least training of any special kind in accounts and, as a result, an Engineer may or may not receive suitable advice about his accounts. Now, people will say “This is all very well, but though audit officers and accountants are provided by the Government, still officers have their own responsibility and it is their business to know what they are doing.” It is very desirable that these technical officers should spend as little time as possible in dealing with accounts matters and should have reliable advice handy. When we consider the technical qualifications demanded of Engineers, Health Officers and in fact every class of technical officer, I think you will admit that what is demanded in the accountants of the Finance Department is a little meagre, and that this is a matter which calls for the attention of the Finance Department.

Now, Sir, two points seem to me to have arisen in this case. One is that the regulations under which officers are expected to avoid financial irregularities are not the best and call for reform, and, secondly, that the

financial advisers, both officers and accountants, might perhaps be better trained than they are. As I said, Mr. Neogy has done a service in laying this matter before the House and in formally bringing it to the notice of the Government.

**The Honourable Sir Basil Blckett:** Sir, I desire to intervene at this point because I want, if possible, to shorten the discussion. Mr. Neogy desires that a special Committee should be appointed to go into what is known as the Sambhar case. The investigation of the Sambhar case has extended now over four years. It has been very fully investigated. In the beginning there was a very considerable difference of opinion between the Auditor General and the departmental authorities. That was the condition of affairs when the matter first came before the Public Accounts Committee. It was also the condition of affairs when the Public Accounts Committee recommended that the matter might be left over for thorough investigation by their successors. In the course of the year 1926-27 those investigations were more or less completed. On 26th May of 1927, that is, two months before the Public Accounts Committee sat, a full Resolution of the Government expressing its conclusions was issued, and that was before the Public Accounts Committee throughout the whole of the Session last summer. There was some delay in obtaining the actual files to put before the Public Accounts Committee last summer, but that, I think, is the extent of the complaint of the Public Accounts Committee as to its treatment in this matter. Eventually the Auditor General expressed himself in full agreement with the conclusions of the Government of India on the subject.

Mr. Neogy has chosen in making his case to make no distinction between charges made by the Auditor on the spot, which were disproved, charges which were pressed and charges which were disproved. Some of the charges that he has read out were charges that were definitely disproved, and that, I think, makes it rather difficult to deal with the whole case without perhaps reading the whole of the Government Resolution on the subject, which I do not want to do. I would, therefore, try and summarise.

My main point is that there is nothing left to investigate. The whole thing has been very thoroughly investigated, first of all by the Auditor on the spot. It was examined in thorough detail by the Central Board of Revenue and finally settled by the Government of India, and the Government of India issued a Resolution. There is nothing even in the original Audit Report to suggest that this was like a Back Bay scandal or something of that sort or anything of that magnitude, and if Mr. Neogy is right in saying that this is a most important financial scandal that had come before the Public Accounts Committee since its inception, then I think it is very high praise for the Government of India since the inception of the Public Accounts Committee.

This case is a very peculiar one. You have an officer, Mr. Bunting, who is an exceptionally able engineer. He has, as a matter of fact, received a gold medal for his report and for his work at Sambhar from the Institution of Civil Engineers in London. Nevertheless, when the Government came to look into the way in which he had kept the accounts there was very little that the Government could defend. There is no doubt that he was thoroughly in earnest to make the very best job of the improvement of the Sambhar Lake that he could and that he was wholehearted in his

[Sir Basil Blackett.]

desire to serve. But when it came to keeping accounts, estimates were largely exceeded, works were undertaken without budget provision and without sanction; works actually executed were financed indiscriminately from any source whatever. If work included in a sanctioned estimate was omitted, or plant of which the purchase had been sanctioned was not bought, the funds thus released were diverted to other purposes without any formalities whatever. If expenditure in excess of an estimate, or necessitated by work done without an estimate had to be met, it was met by simply debiting it to any work for which there was budget provision. Work connected with the improvement scheme was financed from funds provided for the ordinary manufacturing operations and *vice versa*. Obviously there was nothing that Government could defend or desire to defend in the financial conduct of the operations. Nevertheless, here was an officer of very distinguished engineering capacity who had produced a work the value of which I shall come to in a moment.

**Pandit Hirday Nath Kunzru** (Agra Division: Non-Muhammadan Rural): What about the falsification of accounts?

**The Honourable Sir Basil Blackett:** There was no falsification in the sense of misappropriation of funds. What actually happened was that he kept his books in a perfectly open way and they were there when the Auditor came along to see them and no attempt was made to conceal anything. But, as Mr. Neogy pointed out, the books showed the water tower entered as a charge against the cutting of a canal or something of that sort. You may call it falsification.

**Mr. K. C. Neogy:** What about the club house?

**The Honourable Sir Basil Blackett:** The Honourable Member, Mr. Neogy, keeps introducing separate matters which have all been fully investigated and in the case of some of which his charges are distinctly untrue. Mr. Neogy repeated the wild remark he made on a previous occasion to the effect that the main reason for the electric installation was to pump water for about 6 weeks in the year when there is a scarcity of rainfall. I do not know where that came from unless it was one of the charges originally made somewhat intemperately by the Auditor—not the Auditor-General but the Auditor—which was afterwards withdrawn. The fact is that there are somewhere about 18 pumping stations. The majority of these are working for the greater part of the year. Every year they work throughout the manufacturing season pumping from the main reservoir into the smaller reservoirs and from the smaller reservoirs into the pans. The season may normally be put at six months. They work for a considerable time in the off season pumping the bitterns back into the main lake. The two big pumping stations are working every year but only for about six weeks in the year to pump brine from the main lake and the big reservoir.

**Pandit Hirday Nath Kunzru:** May I ask whether the statement in the Audit and Appropriation Report for 1924-25 that the electric installation is needed for pumping water for about six weeks only is correct or not?

**The Honourable Sir Basil Blackett:** That is one of the allegations which is entirely incorrect.

**Mr. K. C. Neogy:** When was it shown to be incorrect?

**The Honourable Sir Basil Blackett:** The Honourable Member must excuse me. The difficulty we are in is that he is trying to re-open the whole of a very technical and long investigation which took over four years. The final result of that examination is that the Auditor General has stated that he is entirely satisfied with the action taken by the Government. The action taken by the Government was embodied in the Resolution which contains a pretty severe censure on Mr. Bunting for his irregularities. Mr. Bunting having some time ago left the Government service altogether we are now asked to have a new Committee and I am in difficulty to know what it is to inquire into. There is no dispute now as to facts between the Auditor General and the executive authorities. So far as the whole of that side of the question is concerned, it is quite clear that there is nothing left to investigate, and I may add that the Public Accounts Committee concurred in this view. I do not understand why Mr. Neogy, who is a member of the Public Accounts Committee and signed that report, should now say that he wants an investigation.

**Mr. K. C. Neogy:** Where is that? Read the whole paragraph.

**The Honourable Sir Basil Blackett:** Last year's Public Accounts Committee's Report, "The Committee endorses this action on the part of the Government."

**Pandit Hirday Nath Kunzru:** Would the Honourable Member mind my interrupting him again in regard to the period during which the pumping operations . . . . .

**The Honourable Sir Basil Blackett:** No, I really cannot be expected to answer detailed questions. Obviously the House is not the place for an examination of that sort. The examination has already been completed.

I have no quarrel with Mr. Neogy for bringing this matter before the House, because it is a case in which there is nothing whatever to be said in regard to the irregular method of keeping accounts. But Mr. Neogy went on to try and justify his inquiry by desiring an inquiry into the financial results of the scheme. That is something quite different.

**Mr. K. C. Neogy:** What about your condonation of the officer's conduct?

**The Honourable Sir Basil Blackett:** I do not understand.

**Mr. K. C. Neogy:** You sought to condone the officer's conduct on the supposition that the scheme would lead to beneficial results. That is the reason why I was led to make these observations.

**The Honourable Sir Basil Blackett:** I do not think the Government sought to condone the action of the officers. As I have stated, they have censured it very severely. But that is quite a separate thing from the question whether or not the result of the scheme has been successful. Now, I took the trouble myself during the time when this question was very active to go to Sambhar and examine the thing on the spot. I do not mean to say that I was competent to judge the result, but I think Honourable Members should remember that the Central Board of Revenue and I myself and others have taken a great personal interest in this in order to see that the case was investigated right up to the hilt.

[Sir Basil Blackett.]

Now, as regards the financial results, it is true that there have been some rather loose statements as to the purpose for which this scheme was originally started. But it is perfectly clear really that the object of the scheme was to stabilise output, which had fluctuated violently between one lakh and 100 lakhs in the past and to provide a remedy for the labour difficulty. Mr. Neogy said nothing about the labour difficulties. The records of the period when the scheme was started abound with references to the labour difficulty and they were very real indeed. The labour force, from whatever cause, was melting away. Apparently a bad agricultural season in 1918 did something to stay that outflow. That these labour difficulties have been overcome is due primarily, or very largely, to the formation of the Gudha Co-operative Society, which, by the by, was for a time the subject of attack by the same auditor, accompanied by a general substitution of contract work for departmental work. But the Co-operative Society's success is due in large measure to the development scheme, which rendered the work of extraction less onerous by reducing the average lead and concentrating the work of despatch so that coolies had no longer to trudge or be conveyed long distances over a burning desert to load salt from isolated heaps. The water supply part of the scheme has also had its effect. Certain labour saving devices that Mr. Bunting had not had time to get going were contemplated, such as mechanical excavators and automatic weighing and bagging machines.

As regards the question whether the scheme has stabilised output, in the 8 years before the scheme was started, 1912-13 to 1920-21, the output was for one year in the neighbourhood of 20 lakhs, for three years in the neighbourhood of 45 lakhs, for two others about 70 lakhs of maunds, and in one particular year well over a crore. That is one of the two years that Mr. Neogy, as far as I can see, has taken to get his average—the one year in which the output was over a crore, that is, the year 1918-19. The remarkable figures of that year were the result of the aftermath of floods in the previous year, which left a supply of brine over from one season to the next. Since then, owing to disastrous floods in certain years there have certainly been fluctuations, and until we can control the quantity and distribution of the rainfall it looks as if fluctuations must continue. But the margin of fluctuation has been very greatly reduced and the average production per triennium is higher than it was before the scheme was started. It is probable that the period during which the scheme has been in operation is too short to enable an accurate estimate to be made as to how far it has actually achieved stability, but I do not see how a committee of investigation is going to discover how far the future is going to justify the past. It is our present belief that the result has been the stabilisation of output, and this result is clearly to be attributed to the scheme. It seems obvious that the system of reservoirs and pans which, to quote the Government orders, have obviated the necessity for pursuing the brine all over the lake by means of hastily constructed temporary canals and have rendered it possible to concentrate, conserve and utilise to the full even a scanty supply of brine must have had a very beneficial effect in stabilising output. Now these manufacture works taken alone were not relatively costly. The total cost of the scheme as a whole is about 35 lakhs and these particular works account for about 10 lakhs.



When we come to financial results on which Mr. Neogy dwelt, it must be remembered that the Government's object in producing salt is to produce it in order that it may be sold *plus* duty without profit or loss as regards the manufacturing price. As the House is aware, we have recently in the last few years been able to get commercial accounts or approach the obtaining of commercial accounts for salt production and it is only gradually as we get these commercial accounts that we are able to find exactly what the profit or the loss of any particular manufacturing station is. Mr. Neogy quoted a statement that the loss was so much, but he did not compare it with any previous figure, and he seemed to assume that this scheme was the cause of the loss. Everybody is aware that the price of labour has been going up steadily in recent years, and it is quite natural that the cost price of manufactured salt has tended to go up also. As I stated at the beginning, is an extraordinarily difficult case to argue in open House because immediately one makes some statement a question is put about something else. I therefore take my argument back to the main point. Mr. Neogy asks for a Committee to investigate a matter that has been the subject of very full investigation by the Audit Department and the Government over a period of four years in which after starting with considerable differences of opinion the Auditor General has satisfied himself in regard to all the points originally in dispute and in regard to all the charges made by the Auditor General against Mr. Bunting and others has come to the conclusion that the Government have taken sufficiently severe action in dealing with Mr. Bunting in the matter. I submit therefore that there is no case for a new un-official inquiry by Members of this House or by any other body which would merely be raking up past troubles of which there has been a full investigation the results of which have been fully accepted by the Auditor General and ought to have been accepted therefore, I think, by the Public Accounts Committee and by this House.

**Mr. B. Das** (Orissa Division: Non-Muhammadan): Sir, it is a pity that this House is not allowed an opportunity to discuss the recommendations of the Public Accounts Committee. Although I know the Honourable the Finance Member has his sympathy with us in this matter, so far this House has never had any opportunity, when the Report of the Public Accounts Committee was submitted, to discuss that report. If we can discuss this, then it will be possible for us, with regard to various financial irregularities and disciplinary action that the Public Accounts Committee on various occasions recommend, to take them up and to bring them before the House. The Honourable the Finance Member told the House just now that Mr. Neogy and the other members of the Public Accounts Committee did not raise any objection in the Public Accounts Committee. I was a member of that Committee, and I will just quote a paragraph showing how we in that Committee were very anxious that we should carry out the inquiry as was recommended by the Public Accounts Committee of 1924-25 and how we were not supplied with the necessary papers or necessary opportunity to go into the matter. In paragraph 15 of the Report of 1925-26 the Committee said this:

"While the Committee endorse this action on the part of Government, they desire to record their regret that the Government did not find themselves able, within the time at the disposal of the Committee during its sittings, to afford them the opportunities for making a thorough investigation into this matter. The seriousness of the case is difficult to exaggerate, but the only materials placed before the Committee are

[Mr. B. Das.]

a summary of the findings of the Auditor as given in the Audit and Appropriation Report for 1924-25, the evidence of Messrs. Lloyd and Fergusson given before the last committee in which the findings of the Auditor were challenged, and the summary of the conclusions of Government. In these circumstances, the Committee have not been able to carry out that thorough investigation, which was laid upon them by their predecessors in paragraph 27 of the Report of the Public Accounts Committee for 1924-25.

They moreover feel that the materials placed before them do not enable them to endorse the view that the scheme as a whole has been proved to be to the public advantage. They also feel it their duty to state that in their opinion the Government have taken a lenient view of the conduct of the Heads of the Department and of the Executive Engineer. His 'motives' may have been excellent as the Government state. But the reckless disregard of rules and the manipulation of accounts disclosed in the audit report would on the canons adopted in regard to public accounts in England, merit much stronger punitive action than what the Government have, because of his retirement, been disposed to take against him."

Well, Sir, that was the view that we arrived at. Of course the Honourable the Finance Member, who was the Chairman of our Committee, was not a party to this recommendation because there is a footnote to it as follows :

"As Member of Government in charge of the Finance Department, within whose province the Northern India Salt Department is included, I thought it desirable to take no part in the discussion of the Committee's conclusions in regard to this case."

Well, since then my Honourable friend the Finance Member referred to a Government order on the 7th January wherein it is mentioned that there was no necessity of any further inquiry as the Auditor General and the Government are satisfied with the investigations already held and steps taken in the matter. But I stand on my statutory rights. If the Public Accounts Committee recommended that certain things should be investigated by the next Public Accounts Committee, there was no necessity of evading that, and our contention is that the punitive and disciplinary measures the Government have taken are not adequate. Sir, to me it seems that Mr. Bunting did prove to be a Prince Charming in these localities and had been distributing free electricity to station masters, . . .

**The Honourable Sir Basil Blackett:** Will the Honourable Member allow me to interrupt him? I hope he will not continue to make statements about charges which have been investigated and found incorrect.

**Mr. B. Das:** We are not satisfied with the investigation, and that is why. . . . .

**The Honourable Sir Basil Blackett:** The Auditor General has stated that he is fully satisfied. I think the Honourable Member may take that at any rate as a reason for not repeating on the floor of this House charges for which he has no other foundation than that of an investigator who has been proved, and quite to his satisfaction proved, to be incorrect.

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

**Mr. B. Das:** Sir, I should be the first man to agree with the Honourable the Finance Member that we may absolve the Executive Engineer and the Commissioner of the Salt Department of any charges made against either of them, but we stand on our rights that that investigation should

have been done by the Public Accounts Committee, and as it was not done, I suppose that is the reason why my friend Mr. Neogy has made the suggestion that a special committee be appointed. I would just state to the House that this is not the only scandal that was exposed during the last two or three years in the course of the investigations of the Public Accounts Committee. I will just refer to the Delhi stores and stone-yard scandal. In paragraph 14 (1925-26) they recommended :

"The question of the adequacy of the disciplinary action taken in this and the other cases noticed in the Report raises several issues of far-reaching importance in regard to disciplinary action generally which merit detailed consideration at our hands."

And we did ask the Government to standardise these disciplinary actions. In paragraph 38 of that Report it was recommended :

"We endeavoured to obtain from each departmental witness who appeared before us the basis on which punishment had been awarded in every case of financial irregularity relating to his particular department and brought to our notice in the Audit and Appropriation Reports. We admit that in cases of this sort, the efficiency of the department, the rights of the public, the interests of the taxpayer, considerations of equity and justice have all to be taken into account in varying degrees and that it is difficult, if not impossible, to attempt to formulate rules of general application. But at the same time the absence of any guiding principles is the cause of apparent and invidious differences of treatment."

We also recommended that Government should standardise the system of disciplinary and penal action against delinquent officers who commit errors of judgment in financial matters.

Sir, my friend Mr. Sykes has also dealt with the same matters. He said it was not a matter of financial irregularity, but of technical details. At the time when these things happened, the Executive Engineer happened to be an officer who had put in a lot of service in the United Provinces and he ought to know how accounts had to be kept under the Public Works Manual. It is true that the Finance Department was not examining the accounts at the time and the accounts staff was under the Executive Engineer. But the same thing happens in the Public Works Department where the engineers keep strict accounts under the Public Works Manual. Why then this irregularity? If he managed to transfer heavy sums from the account of Government to his own private accounts in the Alliance Bank and other banks and disbursed them as he liked, I think it was gross negligence of duty on his part. And when did he resign? When this matter came before the Government and the Public Accounts Committee and when they investigated these things, the officer suddenly resigned. I still think he is drawing a pension from the Government of India. If that official broke all the rules and regulations that officials have to abide by, then I think steps must be taken, when he is drawing a pension from the Government, to give him a deterrent punishment even now. That is my contention. That is why some of us on this side maintain that in the different Railways there should be no separate accounts department under the Railway Agents, as the same thing might happen there and heavy defalcations of public money might take place. My friend, Mr. Sykes, who himself admitted that he was in semi-Government offices, said it was very difficult for an official to stick to the rules that are provided for his guidance. But the recent scandal in the Bombay Development Department, the stone-yard case and this case bring the matter prominently to the notice of the public and emphasise

[Mr. B. Das.]

the fact that there should be some strong method of taking disciplinary action against officials who mismanage public funds; the officers may not misappropriate money themselves, but through their negligence money is mismanaged.

Mr. Neogy alluded to the electrification scheme. I find there is a recommendation in the last year's Report to Government to enquire whether they can adopt some other system or method of pumping by which this huge and costly establishment for the electric scheme from the Sambhar lake cannot be done away with. It was a scheme which was not introduced so much for increasing the efficiency of the works as to give free electric lights to the officials that were there; and as my friend Mr. Neogy has observed heavy expenditure was and is being incurred on electric lights being supplied to the Bombay, Baroda and Central India Railway at half the cost of generation. Government say that they cannot take any action against the official concerned as he has left the service; but that the higher official has been censured. That does not satisfy this House.

Sir, I therefore support the Resolution so ably moved by my friend Mr. Neogy, and I suggest to the Honourable the Finance Member to refer the case to the next Public Accounts Committee or to have an independent committee of enquiry as has been insisted on by the Mover of the Resolution.

**Mr. N. M. Joshi** (Nominated: Labour Interests): Sir, I have great pleasure in supporting the Resolution of my friend Mr. Neogy. Sir, it was my good fortune or misfortune to be a member of the Public Accounts Committee for both the years during which this question came up before the Public Accounts Committee. In 1926, when the question came first before that Committee, while examining Mr. Lloyd on this question, I made the following statement:

"We have heard Mr. Lloyd's statement that the subject-matter is quite a complicated one for this Committee to express an opinion upon. There are the statements of the auditor and it has been said that the auditor has made misstatements and has not appreciated the position of the officers. On the other hand, Mr. Lloyd put forward before us the difficulties of the officers. I feel therefore that considering the importance of this subject this Committee instead of going into these statements should request the Government of India to appoint an independent committee consisting of the officers of the department and the Audit Department to go into this audit report as well as into these statements made by the officers and make a report on the matter independently."

Sir, the reasons which actuated me to make this suggestion were these. I thought that the public servants in India should be, in the first place, protected against any attacks made upon them either for disregarding their duties or doing their duties in a wrong manner or doing things which are wrong from the moral point of view. Secondly, I thought that if we appoint certain officers to do certain duties . . . .

**Mr. Anwar-ul-Aziz** (Chittagong Division: Muhammadan Rural): May I draw your attention to the fact that there is no quorum? May I ask you to ring the bell?

(Mr. Deputy President asked the Secretary of the Assembly to ring the bell.)

**Mr. Vidya Sagar Pandya** (Madras: Indian Commerce): On a point of order, Sir. There is no option but to adjourn the House under the rules.

**Mr. Deputy President:** It is in the discretion of the Chair.

(As the bell rang, a quorum was found to be in the House.)

**Mr. Deputy President:** Mr. Joshi:

**Mr. N. M. Joshi:** My second object, Sir, in asking for the appointment of a committee was that when we appoint officers to perform certain public duties and pay them well, it is certainly their duty to do their work well. And if they do not do their work well, it is our duty as their employers either to see that they do their work well or, if they do not do their work well, to deal with them in a proper manner. It is in the interests of the public service and also in the interests of the tax-payer that I made the suggestion that a Committee should be appointed.

Sir, I have read the paragraphs written by the Auditor in connection with this matter and I also took part in the examination of the witnesses that appeared before us on this subject. And whatever the Auditor and the Auditor General may say, the impression was left on my mind that in this affair there was something which was beyond what was written by the Auditor or by the Auditor General. Honourable Members who will read these paragraphs will not fail to confirm the impression that is left on my mind that if an investigation were to be made it is quite possible that things which have not appeared in the Auditor's report or in the Auditor General's report may appear during the course of the investigation. Sir, it is that impression which was made on my mind that has led me to make the suggestion that an independent committee should be appointed to investigate this matter. I was surprised to hear the Honourable the Finance Member state that if the irregularities pointed out by the Auditor or the Auditor General were the only irregularities that were noticed by the Public Accounts Committee, then he thought that this department deserved praise instead of being censured by this House. I think I am correct in my interpretation of the speech which he made this morning.

**The Honourable Sir Basil Blackett:** I do not quite follow the Honourable Member. What I said was that if this was the worst case that was noticed during the course of investigation by the Public Accounts Committee, then I thought that was a good mark for the Government of India.

**Mr. N. M. Joshi:** I think his statement comes to practically the same statement which I have made, namely, that he does not consider this a sufficiently bad case, and he thinks that if this is the worst case, then certainly the Government of India need not feel ashamed of their administration.

Now, Sir, in this case it is not only the Engineer or the Commissioner who is concerned, but in my judgment there is also some responsibility attached to the Central Board of Revenue which manages these departments and to the department of the Government of India under which the Central Board of Revenue works

**The Honourable Sir Basil Blackett:** Does the Honourable Member realise that the Central Board of Revenue did not come into existence till after this work was in being?

**Mr. N. M. Joshi:** Well, Sir, I do not know whether the Central Board of Revenue came into existence or not, but at least there was the Finance Department of the Government of India.

**The Honourable Sir Basil Blackett:** It was not the Finance Department which then controlled the department under discussion but the Commerce Department of the Government of India.

**Mr. N. M. Joshi:** In any case, there was a department of the Government of India that looked after this matter, and I do feel that the Government of India themselves cannot escape responsibility in this matter. Irregularities of the grossest kind were committed by one of the departments under that Government. I need not dwell upon these irregularities. Nobody is here who will say that these irregularities are not irregularities. The Honourable the Finance Member himself has admitted that these irregularities did exist. There are certainly one or two of them which are bound to make the impression upon our mind that the conduct of the officers concerned in this matter is not quite as fair and honest as we consider it to be. There is the case of the head of the department, namely, the Commissioner, occupying quarters without paying any rent.

**Mr. K. C. Neogy:** For seven years.

**Mr. N. M. Joshi:** For seven years. Now, Sir, this may be quite the act of a mad man as Mr. Sykes has said. He said that the people have gone mad.

**The Honourable Sir Basil Blackett:** May I point out, Sir, that the Honourable Member is now discussing totally different questions which have been fully investigated? The question of the occupation of quarters was settled in a way that leaves nothing further to be discussed. Besides these questions have nothing whatsoever to do with the subject under discussion.

**Mr. K. C. Neogy:** That shows the *bona fides* of the officer concerned.

**Mr. N. M. Joshi:** I am dealing, Sir, with the question that certain officers of Government were involved in this affair. Now, if the case which I am mentioning is not a case in which the same officer was involved, I am prepared to withdraw. But if it is the same officer, then certainly I have every ground for saying that on the whole there is some ground for suspicion that there was something wrong in this Department beyond what the Auditor has stated in his report.

Then, take the case of the officer who secured contracts as the President of a Co-operative Society.

**The Honourable Sir Basil Blackett:** May I Sir, ask your ruling on a point of order, namely, whether this debate should be confined to the desirability of investigating the question of the Sambhar scheme or whether it is right that the Honourable Member should bring forward a lot of disconnected subjects which have nothing to do with the Sambhar scheme?

**Mr. Deputy President:** I hope the Honourable Member will confine himself only to the financial irregularities.

**Mr. N. M. Joshi:** Well, Sir, I am confining myself to the financial irregularities, because I consider that it is a scandal that an officer of Government should secure a contract.

**The Honourable Sir Basil Blackett:** This has nothing to do with the Sambhar scheme.

**Mr. N. M. Joshi:** It is not a case in connection with the Sambhar scheme . . . .

**Mr. Deputy President:** I think the Honourable Member should confine himself to the Resolution

**Mr. N. M. Joshi:** I am confining myself to the Resolution. Unfortunately it is difficult now to say, on account of insufficient knowledge, which case was related . . . .

**Mr. Deputy President:** If the Honourable Member does not possess sufficient knowledge, why should he make a speech?

**Mr. N. M. Joshi:** The object of the speech is to show that an enquiry is necessary . . . .

**Mr. Deputy President:** Then stick to the Resolution.

**Mr. N. M. Joshi:** Therefore I am asking for an enquiry, because I do not possess the facts. There are impressions left in my mind and I want to satisfy myself that those impressions are wrong. If they are not wrong, then it is certainly the business of the Government of India to deal with those matters. I want sufficient facts, and I have therefore given that as an instance. If you think we should not make any enquiry about these matters, certainly there need then be no enquiry at all. But the impression is left on the mind of the reader of that Report and of the members of the Public Accounts Committee that gross irregularities were committed. We do not possess sufficient knowledge about these matters, and under those circumstances I do not know, Sir, what this House should do but to ask for an enquiry.

**The Honourable Sir Basil Blackett:** May I point out that all the cases which the Honourable Member is mentioning were fully investigated and reported on by the Public Accounts Committee. They were fully investigated, and they expressed their views on the subject. There is no question of an investigation into them. It has nothing, therefore, to do with the motion

**Mr. N. M. Joshi:** The Honourable the Finance Member certainly possesses more knowledge than I do, but as I stated in the beginning, it was either my good fortune or misfortune to deal with these affairs, and if I formed an impression after taking all this trouble that it is quite possible that after investigation is made something more than what has already appeared may be found out, it is my duty to tell this House that investigation is necessary.

Sir, as it is not possible for me now to mention the cases on account of your ruling, I confine myself only to the general question. That question is whether an enquiry should be made or not. I feel that an enquiry should be made, because whatever enquiry has been so far made was made by certain officers of Government. I do not suggest that these

[Mr. N. M. Joshi.]

officers of Government have not done their duty well. On the contrary I feel that those audit officers who have reported on the subject have done their duty very bravely and very courageously.

**Mr. Deputy President:** I hope the Honourable Member will now bring his remarks to a close, as he has almost finished his time.

**Mr. N. M. Joshi:** They have done their duty courageously but after all they are officers of Government and they have to report to an authority which also controls that very department. The officers belong to the Finance Department and the complaint is also against that department. If, therefore, we want the matter to be investigated, it is necessary that the investigation should be made by an independent body.

I hope that this House will pass this Resolution.

**Sir Purshotamdas Thakurdas** (Indian Merchants' Chamber: Indian Commerce): Sir, it strikes me that this is not a question of what the Committee is to enquire into, whether financial irregularities or technical irregularities. A perusal of the Public Accounts Committee Report, Volume I, shows that even the Public Accounts Committee meeting held in 1927—I am reading from page 11, paragraph 15—were not satisfied that Government had put before that Committee all the material which was available to them. I do not remember whether my friend, Mr. Neogy, read the relevant part in his speech or not. If he did, I would just like to mention that the Committee have put on record that they were supplied only with the summary of the findings of the Auditor as given in the Audit and Appropriation Report for 1924-25, and the evidence of Messrs. Lloyd and Fergusson, and that even these reports were not made available to them in full. The final opinion of the Public Accounts Committee is that:

“the reckless disregard of rules and the manipulation of accounts disclosed in the audit report would on the canons adopted in regard to Public Accounts in England merit much stronger punitive action than what the Government have, because of his retirement, been disposed to take against him.”

I understand the Honourable the Finance Member said that the officer who was responsible for this, and the officer whose action I understood the Honourable the Finance Member did not wish to defend had retired. To my mind a very serious question of principle arises here. An officer may be guilty either knowingly or innocently of the grossest of irregularities, and the only thing for that officer to do is to take his passage, sail home and retire on proportionate pension. It is this part which is the real issue and which is troubling Honourable Members on this side and also appears to trouble the Public Accounts Committee. Surely with such gross irregularities as have been shown by this officer, negligence which the Government of India have been content merely to censure without taking any more strict action, the House is justified in asking that some further enquiry be made to decide whether stronger and stricter action is necessitated by the conduct of this officer. I feel that where both sides of the House are agreed, both Government and the non-official side, that the action of this officer deserves the greatest censure, Government will not stand in the way of any further enquiry which the non-official section on the Public Accounts Committee may have thought fit, after the information which was available to them, to recommend. I expect Mr. Neogy is not insistent that there should be an



Enquiry Committee, if the Honourable the Finance Member would agree to have this question referred back to the Public Accounts Committee. But simply to say that Government has passed a vote of censure on this officer is hardly a line of action which can be considered to be deterrent in a question where the exposure of irregularities and what not appear to be as serious as has been admitted. I do hope that Government will not try to screen the officer if the Public Accounts Committee members and Mr. Joshi and Mr. Neogy, who have been two of the most senior members of that Committee, have the impression that before that Committee sufficient material was not made available to come to a decision whether strong action was necessitated or not.

**The Honourable Sir Basil Blackett:** Sir, I do not think that I have anything to add to the discussion. There are certain passages in the Government Resolution on the Public Accounts Committee's Report.....

**Pandit Hirday Nath Kunzru:** On a point of order, Sir. May I ask whether the Honourable Member who moved the Resolution has not got a right to reply?

**Mr. Deputy President:** If he wishes to, he can.

**Pandit Hirday Nath Kunzru:** As the Chair called upon Sir Basil Blackett my friend's right of reply has been taken away from him.

**Mr. Deputy President:** I did not call upon the Mover because he did not rise, so I thought he did not want to reply.

**Mr. K. C. Neogy:** There are other Honourable Members who want to speak.

**Mr. Deputy President:** Do you want to reply?

**Mr. K. C. Neogy:** Certainly. The great upholder of the constitution has spoken, but when he mentioned all the various steps that have been taken for the purpose of investigating the matter, he omitted to mention the only statutory body which is charged with enquiring into irregularities of this kind, and that is the Public Accounts Committee. My Honourable friend has got experience of the work done by the Public Accounts Committee in England, and I was waiting to hear from him as to what part the Public Accounts Committee had taken in the investigation to which he was making reference so often in his speech. He says, "Oh, trust me!". The Honourable Member is the Member responsible for the administration of the department concerned in these irregularities. He has got another capacity. He is the Chairman of the Public Accounts Committee. Now here he speaks on behalf of the Government of India, and in all these capacities he wants the House to trust him. I think all that he said amounts to that.

**The Honourable Sir Basil Blackett:** What I said was, "Trust the Auditor General who has expressed himself as fully satisfied with the investigation."

**Mr. K. C. Neogy:** Certainly, with regard to the technical aspects of the question. But are we not entitled to ask that an independent committee should go into the whole matter just to find out as to whether there was any malpractice? My Honourable friend objected to the expression used by my friend Pandit Hirday Nath Kunzru "falsification of accounts". I dare say my Honourable friend keeps himself in touch with what goes on in the Public Accounts Committee in England. If he were to refer to the second report of the Public Accounts Committee for 1907 he would find that a much less serious instance of incorrect and improper adjustment of accounts was there characterised as falsification of accounts, and there it was pointed out that such a thing would merit the dismissal of the officer concerned. I hold in my hand the Epitome of the Reports of the Public Accounts Committee from 1857 to 1925. The case refers to the Military Works loan account. I will just read out a few relevant passages. The particular officer:

"proceeded on his own discretion to adjust these accounts so that the savings and the excesses balanced each other, transferring a small saving on one item to meet an excess on another, and *vice versa*. The matter became known because no receipt was forthcoming for a small bill for stone, and on investigation by a Court of Inquiry many other items were found to have been adjusted. No evidence of fraud was discovered, however, nor was there any loss of money. The General Officer Commanding and the authorities at the War Office arrived at the conclusion that it was a most serious irregularity, but was not a question of fraud, and that the officer should be reprimanded.

Your committee "

—meaning the Public Accounts Committee—

"inquired why a falsification of accounts, which in civil employment would have been probably visited with dismissal, should in the Military Service be punished only by a reprimand."

I dare say after that the Honourable Member would not object to my saying that here we have a gross instance of falsification of accounts by persons for whose action my Honourable friend himself is responsible and over whom he did not exercise proper supervision. It is no use my Honourable friend saying "Oh, the responsibility lay with some other department when the improvement scheme was taken in hand". We are not concerned with what particular department the ultimate responsibility lies. There are two departments concerned—one may be the Industries Department which was at one time in charge of the affair, and there is, apart from the Industries Department, the Finance Department which is expected to look after the financial interests of the tax-payer, and both these departments miserably failed in the performance of their duty in this instance. Sir, my Honourable friend said "Oh, ! the Auditor General says there is no reason to doubt the *bona fides* of this officer". I have referred to certain incidents, one incident in particular where bogus contractors were made use of for the purpose of supporting entries in the accounts. Does my Honourable friend deny that charge? Has that fact been investigated?

**The Honourable Sir Basil Blackett:** They have all been investigated.

**Mr. K. C. Neogy:** Then this charge stands un rebutted.

**The Honourable Sir Basil Blackett:** I am not sure whether they were rebutted or not. There was no question of fraud whatever, that I know.

**Mr. K. C. Neogy:** Well, my Honourable friend wants me to accept his word that there was no fraud.

**The Honourable Sir Basil Blackett:** I do.

**Mr. K. C. Neogy:** But I want to satisfy myself about it when I find that in a particular instance people described as contractors but have nothing to do with the work put forward bills and regular receipts for amounts which were not paid to them. Does my Honourable friend think that this sort of thing does not require further investigation? Sir, when a swindle is committed no more tell-tale tracks are left; it is only slight indications of this character that have sometimes led to the discovery of the greatest swindles that have been committed in the world.

Then, Sir, reference has also been made to the fact that this supervising officer has been occupying official quarters for several years without paying rent. My Honourable friend Mr. Sykes said.....

**The Honourable Sir Basil Blackett:** Sir, I have already pointed out that this has nothing to do with the case. It is a separate charge which has been dealt with and finished with by the Public Accounts Committee and ought not to be repeated here.

**Mr. K. C. Neogy:** That shows the kind of man with whose *bona fides* we are here concerned.

**The Honourable Sir Basil Blackett:** I protest that this has nothing to do with the Sambhar scheme. The matter was fully investigated. No kind of blame was attached to the officer concerned in the matter. It is brought up here out of its place, irrelevantly, to support a charge which has no connection with the charge against the gentleman who was concerned in this particular case. I think it ought not to be allowed.

**Pandit Hirday Nath Kunzru:** Does it give an indication of the attitude of the Government of India and does it not indicate that the Government of India may have dealt with the matter very leniently?

**Mr. K. C. Neogy:** Then, Sir, we have reference in the Audit Report to several bath tubs that were constructed of ferro-concrete. Four of them have been traced to the officers' quarters, one has been traced as having been sold to a judicial officer. Several others still remain to be accounted for. Does the Honourable Member accept that as correct or not? I want to know before I continue. I take it he accepts that.

**The Honourable Sir Basil Blackett:** I do not accept anything that the Honourable Member says.

**Mr. K. C. Neogy:** Then, Sir, I have already referred to the loss which the public have suffered to the extent of Rs. 76,000 on account of the fact that a contractor was paid at a higher rate than he had asked for. Does the Honourable Member dispute that proposition?

**The Honourable Sir Basil Blackett:** That also was fully investigated. It was found that the contract had been accepted by mistake at an unduly low rate, and it was only just to the contractor that he should be paid at a fair rate.

**Mr. K. C. Neogy:** It was no doubt an error of judgment as the Government put it; but we are not satisfied. We cannot be expected to be satisfied with whatever proposition Government may lay down in this matter. We want to get behind all this.

Now, Sir, when these irregularities began to come to light, is it or is it not a fact that Government allowed the officer to retire on proportionate pension? I want an answer.

**Mr. Deputy President:** Don't wait for an answer; he will give his reply presently.

**Mr. K. C. Neogy:** That shows it was done with the fullest concurrence of the Government, and why is it the Government now turn round and say "The officer concerned has retired on pension and we cannot touch him, but the Commissioner of Salt, who is still in service, has been reprimanded." Now, Sir, during the year 1926, in his evidence before the Public Accounts Committee Mr. Lloyd threatened the Audit Officer concerned with an action for libel on behalf of the officers whose action he had exposed in his report. If there was any occasion at that time for the officer concerned to sue, to take such an extraordinary step as to sue the Audit Officer for libel, certainly there is some justification for us at the present moment to ask for an investigation into these affairs. If the officers concerned felt so very aggrieved at certain observations and were advised that they had a case for taking to the court, certainly there is every justification for this House to ask for an independent inquiry. Sir, my own suspicion is that it is the status, nationality and social position of the officers who are guilty of the highest kind of disregard of public interests that stand in the way of an open inquiry. How did the Honourable Member treat the Public Accounts Committee itself? The Public Accounts Committee were supplied with merely the summaries of things—a summary in the first place of the Audit Officer's report; and the reply of the officers concerned was never communicated to the Public Accounts Committee: a summary again of the report on the action taken by Government. The Public Accounts Committee, I venture to think, deserve much more consideration at the hands of Government. It is a statutory body and my Honourable friend, who is such a great upholder of the constitution, should be the last person to treat the Public Accounts Committee in this manner.

My Honourable friend, Sir Purshotamdas Thakurdas, has said that if the Government do not see their way to appoint an independent committee of inquiry, the inquiry might be made by the Public Accounts Committee itself. So far as I am concerned, I am perfectly agreeable to that course being taken. As a matter of fact, I would not have given notice of this Resolution if Government had not refused to give the Public Accounts Committee an opportunity to make an inquiry which was promised as a matter of fact by the Honourable Member himself in the autumn of 1926. My Honourable friend kept on repeating, "Oh, some of these charges have been disproved"; but he did not care to specify which charges had been disproved. I challenge him to mention them. He referred to the electrification scheme; he said that it is not correct to say that the plant was required for pumping only for six weeks in the year. May I draw my Honourable friend's attention to a passage which appears at page 22 of the Report of the Public Accounts Committee for the year 1925-26:

"In view of the fact that the generating plant is in operation only during a year of scanty rainfall and then only for about six weeks, we—"

—meaning the Public Accounts Committee—

“consider that the Board should examine whether some other method of supplying the power cannot be devised, the present electric power house being dismantled.”

The first signature to this statement is that of Sir Basil P. Blackett. My Honourable friend says “This has been found to be absolutely incorrect.” When was it found to be absolutely incorrect? Was the fact communicated to the Public Accounts Committee after that? Sir, my Honourable friend ought to realise that he stands somewhat in the position of an accused himself and he ought not to take up such an attitude. It is he who is to blame for not having exercised proper control and proper supervision over his subordinates, and he should be the last person to have taken up the sort of supercilious attitude that he has thought fit to take in this debate.

At this stage Mr. Deputy President vacated the Chair which was resumed by Mr. President.

**The Honourable Sir Basil Blackett:** Sir, my objection to Mr. Neogy's method of bringing in charges which have nothing to do with this case but with other cases that have come to notice in this connection is well illustrated by what he has said about a certain officer occupying a Government building without paying rent for some time. The fact is that a particular building had been occupied by the Salt Commissioner for a generation or more without rent; and that was the position of affairs when the present Commissioner found it, and it was he himself who called the attention of the Government to the fact. When a case of that sort is brought in for the purpose of causing prejudice in a case of this sort, it is obvious that we are getting rather far away from what the subject ought to be.

Reference has been made to what the attitude of the Public Accounts Committee in England would be. My objection to the present proposal is just exactly that. Having received from the Auditor General a statement that he is fully satisfied with the action taken by the Government in the case of a particular trouble brought to light, the Public Accounts Committee in England would never have thought of going further with the matter. They would be satisfied with the Auditor General's statement that he had investigated the subject fully and was quite satisfied with the action that Government had taken in the matter. What I cannot agree to on behalf of the Government, even if it comes from the Public Accounts Committee, is that an investigation should be conducted, a fishing investigation outside the evidence that is in the possession of the Government on this matter. It is quite proper that the Public Accounts Committee, when it comes back to this subject, as it will do next time with the latest information from the Government, should then examine the Government witnesses in regard to the matter; but that is quite a different thing from appointing a special committee to reopen the whole investigation fully conducted by the audit officer. There will be the Auditor General and there will be the Central Board of Revenue available to the Public Accounts Committee to give any further explanations they desire in the matter. But that is all. I cannot agree to let them reopen this question, which I think it would be obviously desirable should not be kept open indefinitely. That is the position as I see it. If that kind of inquiry by the Public Accounts Committee is all that is desired, I have never suggested that it should not be admitted or sought to prevent its being admitted. But I am not prepared to see the Public Accounts Committee setting itself up

[Sir Basil Blackett.]

or a separate committee being set up for the purpose of a complete investigation, going on the spot, calling in witnesses here, there and everywhere. I cannot possibly agree to that. I do not know whether it meets Sir Purshotamdas Thakurdas. I think it does; but if it does, possibly the Honourable Member will be willing to withdraw his amendment.

**Sir Purshotamdas Thakurdas** (Indian Merchants Chambers: Indian Commerce): May I inquire if it is a fact that the Government of India have themselves deputed an engineer to make some inquiries in connection with this Sambar incident?

**The Honourable Sir Basil Blackett**: I think an engineer has been appointed to pass what are called the completion reports.

**Sir Purshotamdas Thakurdas**: Will that engineer's report cover the works referred to in connection with this incident?

**The Honourable Sir Basil Blackett**: It is the completion report of these works; but I do not know quite how that comes up in this connection.

**Sir Purshotamdas Thakurdas**: Will that report be made available to the Public Accounts Committee?

**The Honourable Sir Basil Blackett**: It will be available for the Auditor General who could report on it if he finds anything in it unsuitable or wrong. I mean this completion report is not the sort of document we usually put before the Committee; it will be one of the documents which will be before the Auditor General for comparing with the final accounts of the scheme. I think as a matter of fact we have all got rather beyond the point which we are really after. I think, as I see it now, Mr. Neogy's own desire is to secure that the Public Accounts Committee is not muzzled. I have no desire—and I am sure that Honourable Members will realise that I am the last person who would have any desire—to muzzle the Public Accounts Committee. I do desire that the Public Accounts Committee should perform its functions thoroughly; but for that reason I do desire to point out that it is not desirable that the Public Accounts Committee should convert itself from a body sitting at the headquarters of the Government from time to time and examining mainly what it receives from the Auditor General, into a body of investigation into a particular subject and calling witnesses and travelling all over the place. That is not its function, and if that is understood, there is really very little if anything between us, except this that I do think the Public Accounts Committee should recognise, having obtained from the Auditor General a statement that he is fully satisfied with the action taken by the Government in any particular case, that there is very little probability that it will be useful after that to call into question the action of the Government and the action of the Auditor General in the matter.

**Mr. President**: The question is:

That the following Resolution be adopted:

"This Assembly recommends to the Governor General in Council that a Committee of official and non-official Members of this House be appointed to make a thorough investigation into the financial irregularities relating to the Sambhar Salt Improvement Scheme referred to in the report of the Public Accounts Committee for 1925-26."

The Assembly divided :

AYES—24.

Abdul Mastin Chaudhury, Maulvi.  
Abdullah Haji Kasim, Khan Bahadur  
Haji.  
Aney, Mr. M. S.  
Bhargava, Pandit Thakur Das.  
Birla, Mr. Ghanshyam Das.  
Das, Mr. B.  
Haji, Mr. Sarabhai Nemchand.  
Iswar Saran, Munshi.  
Jayakar, Mr. M. R.  
Joshi, Mr. N. M.  
Kelkar, Mr. N. C.  
Kunzru, Pandit Hirday Nath.

Lahiri Chaudhury, Mr. Dhirendra  
Kanta.  
Lajpat Rai, Lala.  
Malaviya, Pandit Madan Mohan.  
Moonje, Dr. B. S.  
Mukhtar Singh, Mr.  
Neogy, Mr. K. C.  
Pandya, Mr. Vidya Sagar.  
Purshotamdas Thakurdas, Sir.  
Rao, Mr. G. Sarvotham.  
Sarda, Rai Sahib Harbilas.  
Sinha, Mr. R. P.  
Yakub, Maulvi Muhammad.

NOES—41.

Abdul Aziz, Khan Bahadur Mian.  
Abdul Qaiyum, Nawab Sir Sabibzada.  
Ahmad, Khan Bahadur Nasir-ud-din.  
Alexander, Mr. William.  
Allison, Mr. F. W.  
Anwar-ul-Azim, Mr.  
Ashrafuddin Ahmad, Khan Bahadur  
Nawabzada Sayid.  
Ayangar, Mr. V. K. Aravamudha.  
Bajpai, Mr. G. S.  
Blackett, The Honourable Sir Basil.  
Bray, Sir Denys.  
Chatterjee, Revd. J. C.  
Chatterji, Rai Bahadur B. M.  
Coatman, Mr. J.  
Cocke, Mr. H. G.  
Cosgrave, Mr. W. A.  
Couper, Mr. T.  
Courtney, Mr. R. H.  
Crawford, Colonel J. D.  
Crerar, The Honourable Mr. J.  
Dalal, Sardar Sir Bomanji.

Graham, Mr. L.  
Irwin, Mr. C. J.  
Jawahir Singh, Sardar Bahadur  
Sardar.  
Keane, Mr. M.  
Lamb, Mr. W. S.  
Lindsay, Sir Darcy.  
Mitra, The Honourable Sir Bhupendra  
Nath.  
Moore, Mr. Arthur.  
Mukherjee, Mr. S. C.  
Parsons, Mr. A. A. L.  
Rainy, The Honourable Sir George.  
Rajah, Rao Bahadur M. C.  
Rao, Mr. V. Pandurang.  
Roy, Mr. S. N.  
Sams, Mr. H. A.  
Shamaldhari Lall, Mr.  
Shillidy, Mr. J. A.  
Sykes, Mr. E. F.  
Taylor, Mr. E. Gawan.  
Young, Mr. G. M.

The motion was negatived.

## RESOLUTION RE EXPORT OF SACRED OBJECTS AND INDIAN ANTIQUITIES, ETC

**Mr. G. Sarvotham Rao** (West Coast and Nilgiris: Non-Muhammadian Rural): Sir, I beg to move:

"That this Assembly recommends to the Governor General in Council that he may be pleased to take immediate steps to stop the exportation out of India of sacred objects and of Indian antiquities, manuscripts, works of ancient art and such other things as are either national heirlooms and are objects of national pride or are necessary for a proper understanding and appreciation of India's past and for the study and reconstruction by Indians of the history of ancient and mediæval India."

Sir, I have to state at the very outset that this Resolution has fallen to me by a mere chance of the ballot. The father of this Resolution, Rai Sahib Harbilas Sarda, has a regular dictionary of all those things connected with antiquities even though he lives in the modern age and will be in a position to give the House all the details concerning this Resolution. But I have

[Mr. G. Sarvotham Rao.]

kept to myself the right, because all along I have been a maiden in this Assembly, of moving this Resolution on antiquities. The Resolution, Sir, looks extremely unostentatious and non-controversial and one on which there cannot be the least divergence or difference of opinion on either side. But, the difficulties in my way in moving this Resolution and in commending it to the attention of the official Benches are really very great and manifest. Everything in India, whether it be religion or a prophet or divinity of a particular type or form, is involved in some political issue, and it is not possible to separate them and say that these are non-controversial and as such will be accepted by everybody concerned. Now, Sir, I am already prepared for a controversy in spite of the fact that the Resolution appears non-controversial. It may be stated at the very outset that this Resolution—I am not responsible for the wording of it—is vague and deals with a vast subject, and it must be impossible for any Government to put barriers on the export of things over which they have absolutely no control. But, Sir, I want to take the larger meaning of the word “exportation”, so that I may escape the criticism of the Commerce Department and the Tariff Board that you cannot restrict the export of a thing on which a duty cannot be levied and that it would be impossible for the Customs Department to institute a regular search of all who export these things.

So I want to take the dictionary meaning of the word “exportation” in the sense of carrying away. I will not use the stronger expressions such as “loot” or “robbery” which may not find appreciation in the eyes of some of my friends. So, I would only say that the Government should take steps to find out a method by which they can stop the exportation of these things outside India. Of course it falls upon me to propose—as I told you this is a vast subject—what steps, what immediate steps the Government ought to take in this matter. I anticipate my Honourable friend the Secretary for Education, Health and Lands questioning me as to the steps, the tangible steps I propose. Let us see what these steps are and then we can consider them in detail. The steps however are not concrete steps; they are not material steps on which we can proceed with very great ease as we do here upon the stairs of this Council House.

Sir, the search for antiquities has become a regular craze. It was only the other day I was reading in some paper that there are countries in the world where there is so much superfluous wealth that they do not know what to do with, whether they should use this wealth for the uplift of their own country or bring in from other countries what those countries consider to be their valuables. I have also heard of a very humorous story of an American millionaire having offered a vast sum of money for the purchase of St. Paul's Cathedral. We have also heard of the great interest which is being taken in all parts of the world in the exploration of Tutankhamen's tomb in Egypt. I do not want to dwell any further on this and will come to the point directly, and that is, the feeling among persons interested in the ancient glories of India that the Government are not taking adequate steps to safeguard Indian antiquities properly. The Resolution, Sir, is self-explanatory, and it shows at a glance all the things which are being exported and which ought to be safeguarded, in the shape of manuscript, works of ancient art and such other things as are either Indian heirlooms or are objects of national pride. Of course India abounds in antiquities, and very little effort was ever put forth before 1904 by this benevolent Government,



in securing them for India. In that year the Ancient Monuments Act, which we owe to Lord Curzon, was passed. Previous to that no attempt was made to help this country to maintain its ancient and valuable things intact. The Government may reply that they are not responsible for what the East India Company did in those days. But I may say, Sir, that at the time the East India Company had control over this country people were not so anxious about old things, because they did not really appreciate the value of anything except that which appealed to the senses. Any patriotic student of Indian history, who studies it for its own sake and not for the purpose of examinations, discovers that the illustrations and references in the books which are considered to be relevant to the subject are objects which are not to be found in any Indian Museum but in some far off country, either in Germany or, if not there, in the Bodleian Library at Oxford. How these things were carried away there is nothing now to show. Government are not interested and the people also are not interested and the carting away of these ancient treasures was not considered anything out of the way. These things are not dutiable, and therefore the Government cannot possibly object to their being taken out or interfered in any way, except in the manner which I am going to suggest. I was, Sir, in the educational line for at least 12 years and I have also as a student been reading Indian history, especially ancient Indian history. I had to specialise in it. But, Sir, most students of ancient Indian history take no very great interest in the subject except for their examination purposes. There is no interest beyond that. And the study of Indian history, Sir so far as my province is concerned, has been relegated to a very minor part, while the study of the British Empire as a special subject has been introduced. Sir, that is a deliberate attempt on the part of the authorities to belittle Indian conditions in the eyes of young students, and to place before them the British Empire, on which the sun never sets, is a study which should absorb all their attention. This encouragement of a thorough lack of interest in one's own country is a great crime, a crime which certainly ought not to be encouraged by any Government. If public interest in our own land is encouraged, and if these objects of historical value are not allowed to be carried away to other places, I am sure that the public will be sufficiently interested as to put a stop to this sort of exportation themselves. I do not want to repeat myself, but the fact is that the exportation of these things is due to the lack of initiative on the part of this Government in starting museums and in encouraging the study of ancient art and antiquities for the purpose of building up our own history ourselves. Unless and until that interest is created in the younger generation by keeping these antiquities here in this country and ever before their eyes so that they may realise that after all India was not a country of savages before the British came here, nothing worth mentioning can be achieved in that direction. But Indian history has been taught to us, Sir, in such a way, and school children will repeat it to the present day, as to make out that the India of ancient days was not so civilized.

The excavations at Mohenjo Daro, Harappa and other places prove that India was civilized as early as three to four thousand years ago, and these things have attracted the attention of the world all over. If the Government have not taken the necessary steps to guard our things formerly, and if this Resolution attempts to lock the stable when the steed has already been stolen, it is still time enough for this Government to think over the matter carefully and take such steps as would create a real spirit of enthusiasm in young men to study their ancient history keeping these before their eyes.

[Mr. G. Sarvotham Rao.]

There are, Sir, various things which are exported. What is the reason for these exports? One reason is the poverty of the country. When an offer is received for old, worn-out leaves the value of which the possessor himself has not realized, in tens and thousands of rupees, he is prepared to give them up and he does give them up on very many occasions. A large number of manuscripts has been carried away in this fashion because the persons who parted with them never knew the value of those manuscripts themselves, and it is no use finding fault with them. The Government have not given them sufficient education to understand these things. But, still, the Government can intervene and compete in the open market for these valuable things. But, Sir, the question may be put, how will the Government know that these things are valuable, how are the members of the Archaeological Department to know that these things are available in the country and can be had? I say, Sir, it is possible. When the Police Department is in search of any particular scrap of paper considered to be conducive to the spread of sedition in this country, everybody knows that even pillows are not spared without being ransacked during the course of a house search. Why? Because the Government think that their interest lies in getting at these things. The Director of Public Information, it is said, directs all his energies to occupations which are being severely criticized by this side of the House. He could, if he chooses to do so, give a good deal of information about these things, as he ought to, and if he does so, there will be no quarrel on this side of the House that his salary is non-voted. All this means expenditure. Where is this money to come from? Can this money ever be found by any Government and sufficiently?

Sir, as a member of the Standing Finance Committee I came across certain papers the other day which said that our Kashmere Gate here, which is familiar to most of us only as a place where articles of English clothing can be had from European firms there at much higher prices than at Chandni Chawk, has got to be improved. I went all the way to Kashmere Gate to see if there was anything at all worth spending money upon. I was surprised to see there is nothing archæological. there is nothing historical, there are only bare walls, but the Government are prepared and are considering seriously the necessity of that particular monument simply because it was by blowing up the Kashmere Gate that during the Sepoy Mutiny the British were able to capture Delhi. Such are the things which are to be maintained at very heavy cost, as if just to perpetuate in our eyes our humiliation. Take the Neill Statue affair in Madras where such a great attempt is made to get it removed, but the Government there are not prepared to remove it although it is a very easy thing to keep it in another place. Take the Lawrence Statue at Lahore or the Black Hole in Calcutta. For the maintenance of all these things money is found though the people of this country consider these monuments humiliating to them. But are not there other things more valuable to which this money can be diverted, and for the betterment of this country? I am, Sir, a greater believer in the British Government and British justice. Whatever my other friends may say, I have always believed that ultimately we can get them to do what we want, but the mulish obduracy of the Government in silly matters has given even me at certain moments food to reflect whether I was correct. There is a great agitation over statues which the people do not want but which the Government would maintain at any cost. All

this money, Sir, which is now wasted, can be saved and this money can better be utilised in hunting out manuscripts and antiquities and seeing them placed in their proper places so that they may be of use to students. Sir, I move.

The Assembly then adjourned for Lunch till Ten Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Ten Minutes to Three of the Clock, Mr. President in the Chair.

**Mr. President:** Resolution moved :

"This Assembly recommends to the Governor General in Council that he may be pleased to take immediate steps to stop the exportation out of India of sacred objects and of Indian antiquities, manuscripts, works of ancient art and such other things as are either national heirlooms and are objects of national pride or are necessary for a proper understanding and appreciation of India's past and for the study and reconstruction by Indians of the history of ancient and mediæval India."

**Sir Purshotamdas Thakurdas** (Indian Merchants' Chamber: Indian Commerce): On a point of order. Sir, have we a quorum in the House?

**Mr. President:** We have got more than a quorum.

**Mr. G. S. Bajpai** (Secretary, Department of Education, Health and Lands): I am sure, Sir, the Department of Archæology will feel highly flattered by the attention which has been paid to it by unofficial Members of this House on two occasions during this Session. On the 23rd February we discussed the preservation of ruins and tombs round about Delhi; to-day we have been discussing the exportation of antiquities from India. I fear, however, that, if the Director General of Archæology were in the lobby or the official gallery to-day, he would have his sense of satisfaction depressed by the sparse attendance of Members to listen to this thrilling discussion. However I undertake to convey to him a cheerful account of the interest which has been displayed in the subject by the House to-day, so that he may feel highly gratified and may be stimulated in the efforts which he has been making for the preservation of archæological works or monuments of archæological interest in this country.

I confess, Sir, that, as I listened to the speech of my Honourable friend Mr. Sarvotham Rao, I was hoping that he would give me some idea of the acts of vandalism which he supposed Government had been guilty of, that he would supply me with a list of antiquities which had been exported, of manuscripts which came into the possession of Government and which had not been safeguarded, of works of art which had come into our possession and which had been given away. He, however, said in general terms that he thought that it was the duty of Government that works of antiquity which are of historical value should be preserved in India in order to enable Indian students to pursue their archæological and historical studies and then he left it to Rai Sahib Har Bilas Sarda, who I am sorry to see is not in the House this afternoon, to enlighten me with further particulars. I believe the expression used by him was that Mr.

[Mr. G. S. Bajpai.]

Sarda had a veritable dictionary of antiquarian objects in regard to which he was going to frame an indictment against the Government. Well, Sir, I am sorry he is not here, because Government really are in sympathy with the object which underlies the Resolution of my Honourable friend Mr. Sarvotham Rao. I believe that object to be that what is of artistic value in India, what is of archaeological value among the finds which are made by the Archaeological Department in India, what is of artistic interest to students of Indian history, should be preserved in India; and with that object, Sir, we have every sympathy. And it is not that we have merely a theoretic sympathy with that object. I would invite the attention of the House to section 17 (1) of the Ancient Monuments Preservation Act of 1904, which empowers the Governor General in Council, whenever he apprehends that antiquities are being sold or removed to the detriment of India, to prohibit or restrict the taking by sea or by land of any antiquities or class of antiquities described in the notification which the Governor General may issue.

**Sir Victor Sassoon** (Bombay Millowners' Association: Indian Commerce): What about the air?

**Mr. G. S. Bajpai:** Unfortunately at the time when this Act was framed the Honourable and gallant Baronet's exploits and the potentialities of buccaneering from the air had not been discovered; otherwise I am sure the draftsman would have made proper provision for them. Not merely, Sir, is this power vested in the Governor General in Council; but I propose to read out to the House the definition of "antiquities" which occurs in the Act, and which will give the House an idea of the very comprehensive character of that power. "Antiquities" include any immovable objects which the Government by reason of their historical or archaeological associations may think it necessary to protect against injury, removal or disposal. That, Sir, is the law. But we do not stop merely at the law, because many worthy laws are a dead letter and are honoured more in being ignored than in being observed. I shall, Sir, with your permission summarise the scope of notifications which have been issued by the Governor General in Council from time to time in exercise of the power vested in him under section 17 (1) of the Ancient Monuments Preservation Act of 1904. In three areas where archaeological finds of value and interest have been discovered by the Archaeological Department, restrictions have been imposed. These areas are the North-West Frontier Province, the Madras Presidency and the Muttra district in the United Provinces and from none of these areas is it now possible, at least within the knowledge of Government, for anybody to export or take away—I think that was the definition which my friend Mr. Sarvotham Rao gave of the term "export"—take away from these areas antiquities of interest or of value. Of course, Sir, I must make it perfectly clear that these powers really apply to what may be considered to be public property or what has actually come into the possession of the Archaeological Department. As distinct from that there is private property, that is to say, pictures, books, manuscripts, etc., which are in private possession. In regard to what may be in private possession the Government of India have no such restrictive or prohibitive powers; but, Sir, with the exception of Italy—and in Italy I think this placing of restrictions dates from the advent to power of Signor Mussolini—I do not know of any

country in the world where Government has taken to itself the power of prohibiting or preventing the exportation of works of artistic, historical or archæological interest which are in private possession. And the reason why the Government have not thought of prohibiting the exportation of those antiquities which might be in private possession is that such prohibition or restriction would constitute a unwarranted interference with the exercise of rights of private property. I will illustrate that point by fact which happens to be within my own personal knowledge. Here in Delhi we have a distinguished citizen, Lala Sri Ram, who, I understand, has a unique collection of Urdu manuscripts and Mughal miniatures. Now, my friend Mr. Sarvotham Rao suggested that we might have resort to the C. I. D. in order to discover the works of archæological or historical interest which happen to be in private possession, and should then proceed to annex them by the exercise of some arbitrary law. But, I am quite sure that if I had gone or if Government had gone to Lala Sri Ram and had expressed a desire to take possession of these things in order to house them in a museum he would have said: "Why should I part with them; these are my own and I derive pleasure by their possession. I have every right to do what I like with them. I might like to give them to a University." As it happens, he did give them to a University and I would like to avail myself of this opportunity to pay a tribute to his public spirit in this matter. He has presented his manuscripts and pictures to the Benares Hindu University. Now, what I submit is that if we were to take to ourselves such arbitrary or autocratic powers as would enable us to interfere with the rights of private property, we would really give rise to far greater dissatisfaction than any satisfaction which might accrue from Government acquiring these things and keeping them in some place where they may not be made the best use of.

The position, then, Sir, is that those antiquities which the Archæological Department has discovered are retained in this country, and Honourable Members opposite have not been able to give me a single example of any such antiquity being exported from India. If any Honourable Member who may follow me will be so good as to give me information about any such antiquities that may have been exported, Government will be very glad to have that matter looked into. Then, we come to antiquities or works of art which may be in private possession. With regard to these, I have already explained the reason why it is not either desirable or proper for Government that they should try to annex or seize them. The real solution, Sir, of the difficulty in so far as it relates to objects of historical or archæological interest which are in private possession seems to be the stimulation of public interest in what might be described as a national duty, namely, the preservation in the country of works of archæological and artistic interest. As Honourable Members in this House are aware, private generosity or private munificence has done a great deal to enrich the public art galleries in Europe and America. We wish that similar private munificence and generosity should be brought into play in India in order to keep in India what India has every right to keep. But I regret to say that it is not possible for Government to do more than to appear in the market as an ordinary private competitor and to acquire what it may be possible for them to acquire subject to or in consonance with their resources. I have had some figures extracted from the various archæological reports and I find that in the course of the last three years we have

[Mr. G. S. Bajpai.]

spent something in the neighbourhood of Rs. 90,000 on the purchase of works of artistic interest. Well, Sir, I do not argue nor do I maintain or contend that this is quite as much as we should have liked to spend on these objects, but still it is something. If this is supplemented by such further resources as we may be able to scrape together hereafter and if it is also implemented by what private munificence may be able to achieve, I think that an important and a substantial beginning will have been made towards the preservation or the keeping intact in this country of all works of art.

To sum up: I have already stated, Government have every sympathy with the underlying objects of my Honourable friend's Resolution. I maintain that it is not merely lip sympathy but that they have under the Ancient Monuments Preservation Act got power to help in the realization of those objects in regard to antiquities of a certain description. And not merely have they that power but they have exercised that power.

**Mr. M. S. Aney** (Berar Representative): May I ask the Honourable Member what the definition of an "antiquity" is? Does it include old manuscripts also?

**Mr. G. S. Bajpai**: The definition of the word "antiquity" is:

"Any movable object which Government by reason, etc."

Sir, I presume a manuscript is a moveable object and therefore it comes under that category.

As I was explaining, Sir, it is not merely that we have the power but we have also exercised that power in regard to these particular antiquities. What we have not been able to accomplish is to acquire for ourselves all antiquities of artistic interest that may be in private possession and the reason for not doing that I have already submitted to the House and I believe it to be a very good reason. Therefore, if I find myself unable to accept the Resolution which my Honourable friend has moved it is because of its very comprehensive character and also because it seeks to lay on the shoulders of Government obligations which it would not be possible for them consistently either with their general policy or with their financial resources to discharge. Sir, the Resolution asks the Governor General in Council:

"to stop the exportation out of India of sacred objects and of Indian antiquities, manuscripts, works of ancient art and such other things as are either national heirlooms and are objects of national pride or are necessary for a proper understanding and appreciation of India's past, etc."

In the first place, criteria as to what is of national importance and what is not vary and if you were to ask every individual in India who considers himself competent to pronounce an opinion as to what is of antiquarian or archaeological interest, then we shall have to have museums every two or three yards. The second reason for Government not being able to accept this Resolution is that if they were to accept it, they would really, if they intended to carry it out, be under an obligation to restrict private trade or private transactions between individuals owning these works of artistic value or importance and anybody who may seek to acquire them. Therefore, I trust my Honourable friend will realise that it is not because of any lack of sympathy either with the object of his Resolution or the

motives that have led him to move it that I find it impossible to accept it on behalf of Government, but simply because it seeks to lay upon us an obligation which is too comprehensive and too wide for our power to discharge adequately.

**Mr. President:** Is it the desire of the Honourable Member (Mr. Sarvotham Rao) to withdraw his Resolution?

**Mr. G. Sarvotham Rao:** Yes, Sir, I wish to withdraw the Resolution. The Resolution was, by leave of the Assembly, withdrawn.

### RESOLUTION RE SUGAR INDUSTRY IN INDIA.

(Mr. President called on Haji Abdoola Haroon to move his Resolution regarding the sugar industry of India, but the Honourable Member was absent.)

**Mr. Mukhtar Singh** (Meerut Division: Non-Muhammadan Rural): May I, Sir, move the Resolution standing in the name of Haji Abdoola Haroon?

**Mr. President:** Has the Government Member got his written authority?

**Mr. Mukhtar Singh:** Yes, Sir.

Sir, I beg to move:

"That this Assembly recommends to the Governor General in Council that in order to save the sugar industry of India and to place it on a successful commercial basis he be pleased to take the following steps immediately:

- (a) To cause to produce accounts of duty realised on sugar under the Indian Tariff (Amendment) Act, 1925, in comparison with the same as if it were realised in accordance with the previous practice of 25 per cent. as from 1st June, 1925, and up to the end of the last official year, and show exactly what surplus has thereby been gained.
- (b) To form a Sugar Board consisting of a majority of non-official Indians to advise the Government from time to time as to how the sugar industry can best be helped.
- (c) To place the amount of surplus referred to in clause (a) above at the disposal of the said Board for the promotion of the sugar industry.
- (d) To offer at least three dozen scholarships to Indian graduates to study the scientific and up-to-date methods of sugar-cane cultivation, production in raw value, and reducing same to refined value, in foreign countries such as Java, Cuba, etc.
- (e) To provide better facilities for manuring and irrigation to the sugar-cane cultivators in the country.
- (f) To issue pamphlets and books on the methods of cultivation, production and manufacture of sugar in the language of the cultivator and the producer.
- (g) To establish an experimental station at Pusa or elsewhere in India which should exclusively look after the improvement in growth of cane and its varieties in India on the same basis as the Experimental Station of Pasoeroean (Java)."

Sir, I consider myself to be very fortunate to have an opportunity to speak on this motion.

The total acreage in India under sugar-cane is 29,20,000 in 1926-27. Out of this total acreage of 29 lakhs, my province, the United Provinces, contributes 16,13,139 acres, that is, about 55·3 per cent. and out of that

[Mr. Mukhtar Singh.]

total acreage the Meerut Division contributes 4,09,731 acres, that is about 14 per cent. of the total acreage of India. That proves clearly how much my province is interested in the subject, and how much the Division to which I have the honour to belong has at stake in the sugar industry. The subject is very important, and the importance of the subject has been realised from a very very long time. I do not like to enter into the old history of this subject. I consider some other friend will do it, as the time at my disposal is very short. I simply want to state how the industry stands to-day. The sugar industry has been a very important industry in this country, and there was a time when even the sugar plant was not known to the people outside India, and they used to refer to this country as a country which produced the honey plant. There was a time when people in other countries did not know that there is anything sweet besides honey; then we were exporting our sugar to other foreign countries. According to the statement given on page 138 of the "Review of Trade of India" we find that the pre-war average of imports of sugar into this country was 1,31,758 tons, and during the war I believe it was 1,47,048, and the post-war average has been increased to 1,99,876 tons. That clearly shows that the import of sugar into this country has been very much increased. In 1911 the industry was very much threatened, and at that time everybody was considering that the cultivation of sugar-cane will be extinct in this country, just as the cultivation of indigo has become extinct. At that time, in 1910, Sir John Hewett, Lieutenant Governor of the United Provinces, said:

"Thirty years ago we had 300,000 acres of indigo, with all the employment furnished by the manufacture of the dye; to-day we have little more than 40,000 acres under the crop, which is indeed no longer known in many localities where it was once a source of employment and of profit. Sugar-cane, as I have just said, is threatened, and I can scarcely imagine the extent of the disaster to the province should our acreage of cane, which last year exceeded a million acres, dwindle in the same proportion as our acreage of indigo."

But fortunately the war came in and a short lease of life was given to this industry. In the war days I remember to have sold my *gur* at the rate of Rs. 17 per maund. To-day it is not only that *jaggery* is not sold at that rate but even refined sugar is not sold at that rate. This clearly shows that the industry has become very much threatened by the import of sugar.

On page 21 of the "Review of Trade of India" it is stated:

"Imports of sugar of all sorts, excluding molasses and confectionery into British India during 1926-27 still further increased and amounted to 826,900 tons, a rise of 13 per cent. over the preceding year, and 22 per cent. as compared with 1924-25. The value of the imports rose by 21 per cent. to Rs. 18,37 lakhs. Sugar ranked second in importance in the list of imports in the year under review, while in the preceding year it had taken but the third place."

Further on, Sir, we find that even the imports of molasses increased from 70,786 tons to 95,982 tons, the value rising from Rs. 38 lakhs to Rs. 52½ lakhs.

This clearly shows that the sugar industry is in a very bad plight. If Honourable Members happen to go to the villages in the Meerut District and the Rohilkund Division they will find that the condition of the farmer has become very, very bad. The average rate at which *gur* is sold this



year is Rs. 4 a maund. If you compare Rs. 4 to Rs. 17 of the war days you will clearly realise what is the condition, and even at Rs. 4 it will not sell. So I beg to submit that it is a case in which Government should do whatever it can to save the industry.

In 1919 the Government themselves considered it to be necessary to save this industry, and a Committee was appointed by the Governor-General under a Resolution of the Revenue and Agricultural Department, dated October 2nd, 1919. In that Resolution they said :

“Sugar-cane is indigenous in India which until very recent years stood first of all countries in the world in its area under cane and its estimated yield of cane-sugar, and even now ranks second only to Cuba.”

The reference to this Committee clearly shows that very wide powers were given to this Committee. They travelled not only in this country but in other countries also to enquire as to how the sugar industry can be developed. The report was brought out in 1920 and published in 1921. Unfortunately at that time the Government considered that it was unnecessary to take any action on that report. I put a question, Sir, in this House asking how many of the recommendations made by that Committee had been carried out and I was informed that only very small items had been taken note of; otherwise the recommendations had either been forwarded to the Local Governments or no action had been taken. This shows clearly the inaction of the Government. I was further told that no action had been taken on those recommendations because there were some financial difficulties, and that now they must wait till the Royal Agricultural Commission's Report is out. I am sorry that the Government should have decided to wait for the Report of the Agricultural Commission, because we find from the questionnaire issued by that Commission that this was not one of the subjects before them. It was simply incidentally gone into. It was not the task before the Royal Agricultural Commission to inquire as to how to develop this industry. Moreover when there was a Committee appointed so recently as in 1919 there was no necessity for awaiting the report of the Royal Agricultural Commission. If in the terms of reference the Royal Agricultural Commission had been asked specially to report on this industry, then certainly there would have been some reason to wait for their report, but as it is it means nothing else but inaction of the Government to save this important industry. I consider, Sir, that if this industry is not saved, I am afraid it is sure to die out and I may state from my own experience that even to-day sugar-cane cultivation is not a paying job. Though the aggregate under sugar-cane has to a certain extent increased, the next year will show that the acreage has been reduced considerably. We find according to the best estimates of the different farms in the United Provinces that the cultivation of an acre of sugar-cane does not cost less than Rs. 100 while on an average the price that the cultivator gets does not exceed Rs. 90. That clearly shows the cultivation of sugar-cane during this year and the past year has been a clear loss to the cultivator. If it had been a case of substituting another crop for sugar-cane, then possibly I would not have been very much afraid of the extinction of this industry; but when we find that in the whole of the Meerut Division, the Gorakhpur Division and the Rohilkund Division—three of the most important sugar-cane cultivating divisions—there is no other crop which can be substituted for sugar-cane, I fear it will mean nothing else but that rents will go down and the

[Mr. Mukhtar Singh.]

revenue will remain the same, so that people will not be able to support themselves. They are already very poor and the extinction of this industry will reduce them to a still worse condition. So it is but necessary that the Government should take action at once.

There are certain people who consider that India being out of the sugar belt, it is unnecessary to save this industry and therefore it is a waste of time and money to improve the methods of cultivation or in any other way try to save this industry. I may submit here a few points, Sir, which will clearly show that India is very well suited for the production of sugar and therefore it is necessary to save this industry. Possibly my appeal might not have been very impressive if the Government had the interest of imported sugar from Mauritius still to consider, but we find that the Mauritius sugar is not able to hold its own against Java, and so there is no question of conflict of interest between the Government and the people, and it is only fair that the Government should take some action in the matter. The first point to which I would draw attention, Sir, is that in no country does cane mature in less than 12 to 18 months while in India we mature our cane in 9 months. That clearly shows that we are better suited for the cultivation of sugar. Certainly on account of the want of facilities such as manure and irrigation we have not been able to produce a better tonnage of sugar, but that is due, as I shall try to show, more or less to the inaction of the Government experts rather than to the cultivators. Then, Sir, there was one objection made in this report, that the tonnage of sugar is very low in this country. I believe that on an average it is so, but as far as the maximum yield goes the result of the Shahajahanpur Farm clearly shows that it is in no way less than the maximum produce of Java. It is a fact that in this country the maximum yield of all the crops can very well compare with the maximum yield of the same crop in other countries of the world; but the average yield of every crop is much lower as we do not, rather cannot, resort to intensive cultivation as is resorted to in other countries. It is due to the want of scientific knowledge. It is due to the want of resources. It is due to certain other factors which this is not the time to go into. Then, Sir, there was another charge—that the amount of sugar that we get out of our cane is very low. So it is, Sir, but it is due more or less to the want of facilities given to the cultivator. On account of which he cannot grow canes of higher sugar contents. Only the other day I received a letter from the Director of Agriculture in the Bhopal State. He has been able to get as much as 8 to 9 maunds of refined sugar out of a hundred maunds of cane simply by crushing by the ordinary method and preparing sugar by the ordinary method without the use of the vacuum pan. That clearly shows that the percentage of sugar can very well be increased even without the introduction of modern factories. I do not suggest in any way that we should not improve upon the wasteful method that we are employing to-day, but it means, Sir, that if we want to improve upon the resources that we have already got we can do a lot. I was trying to show that India is very well suited to the development of the sugar industry. India has different sorts of soils and climates. Perhaps you will be surprised to hear that in the Meerut Division and in the Rohilkund Division there is a very big area under sugar cane which does not require any irrigation at all for

the production of sugar-cane. Practically the whole of Bijnore District grows sugar-cane without irrigation. That shows clearly how far the land is very well suited to it. I have not got the figures of Bijnore, but I have got the figures of my district and from that you will find that about 15 per cent. of the total acreage under sugar-cane is unirrigated. That clearly shows how far the place is well suited. I draw from this the conclusion that it is an industry which ought to be helped and which should be helped.

Coming to the Resolution, Sir, the first three parts of it consist of one recommendation, namely, the appointment of a Sugar Board. You will be pleased to note that in paragraph 371 of the Sugar Committee's Report, the Committee recommended:

"that a strong permanent board which might be known as the Indian Sugar Board should be immediately appointed."

The Government has not established this Board even to-day, though more than six years have elapsed. Further on we find that they say that the expenditure for the establishment of a Sugar Board would be practically insignificant. It was therefore necessary that the Government should have established that Board at once. Certainly they might have objected to the research institute on account of financial difficulties. I shall come to that later on; but at any rate this Sugar Board could have been established long long ago, after the report was out, especially when the amount needed was very insignificant. They have also recommended that out of the eleven members of this Board there should be six non-official members; and the Committee considered that after some time it should be possible to hand over the entire board to a non-official body, which shows clearly that they recommended in a way a non-official Board. As regards money, Sir, I submit that the Government has realised a very big amount as the difference in duty by levying a specific rate of Rs. 4-8-0 per cwt. instead of the 25 per cent. duty they had before. I have calculated the figures, Sir; it comes to about 2 crores a year. If only this amount had been put at the disposal of the Sugar Board, a research institute and the sugar school that they recommended would have been established. I think the recommendations ought not to have been thrown out on the score of financial stringency. Perhaps it might be said that on account of financial difficulty the Government required this revenue for other purposes. But, Sir, as I stated the other day, I consider that it is the duty of Government to spend the amount realised from the customs duty on the development of the industry from which the revenue is realised—at least a portion of it. Sugar was threatened. The Government realised their duty that it should be saved and protected. After that, Sir, the first charge on the custom revenues levied on sugar ought to have been the establishment of sugar schools and the research institute. The first recommendation in this Resolution, therefore, is that the Sugar Board should be established at once; and for the money that is needed, the difference between the 25 per cent. duty and the Rs. 4-8-0 per cwt. duty should be put at their disposal. This is my specific recommendation; but I do not mind whether the whole amount is placed at their disposal or a portion of it sufficient to comply with the recommendations of the Committee. The thing that we want is that the

[Mr. Mukhtar Singh.]

recommendations, the practically unanimous recommendations of the Committee should be carried out as soon as possible. They should not be delayed any further; otherwise, Sir, after the whole industry has been killed, what is the good of helping it? After the industry is killed you may levy prohibitive duties or you may in any other way help it; but the industry will not be revived. This is the proper time when you can do it; when you ought to do it. If, just after the war, the Government had taken steps to have these recommendations carried out, then the industry would not have been in these difficulties at all. We may be told that the cultivator of this country is a man of very conservative habits; but is that the reply? Who has made him conservative? May I inquire how many schools and colleges are there where you give vocational training or agricultural training? You have so many schools and colleges and turn out boys unfit for the agricultural profession. How can you blame then the illiterate cultivator and say he is very conservative? I have repudiated and I repudiate the charge now with all the emphasis at my command, that the cultivator of this country is not conservative at all. I have seen farmers taking to every improvement that is possible; but the difficulty is that the officer of the Agricultural Department cannot go to him and speak to him in his own language. You issue books and pamphlets not in his language but in the English language and you sell them at prohibitive prices. I have myself been getting pamphlets issued by the University of California in America: they pay the postage; they do not charge me anything. But in India, Sir, small pamphlets of sixteen or eighteen pages are sold at the rate of 8 annas or 12 annas or even a rupee; and mind you, they are written in English as if this was a country in which only English people lived. What is the good of issuing these pamphlets and books written in English I cannot understand; and then the pamphlets and the books issued in the vernacular deserve to be put in no better place than the waste paper baskets. If you see them, you would have an impression that these agricultural people are fools and that they do not understand even common place things. That is the spirit in which the books are written; that is the spirit in which even the journals are written. This is the complaint which is covered in the next recommendation in which I have said that the pamphlets and books should be published in the vernacular of the cultivator. It is but necessary that the Government should see that when their experts bring out certain discoveries or recommend certain scientific methods of cultivation, they should write out those things in the language which can be understood by the cultivator so that it can be of any use to the farmer. I am sure that if any propaganda of that nature is carried on, at least my district or division will be the first to take up all those suggestions. Perhaps it will be gratifying to know that in my district you will find that the largest area under sugar-cane is sown with the Coimbatore varieties. This clearly shows that people are willing to take it up, provided you give them proper facilities and proper information.

The other recommendations, Sir, which I consider very important are about irrigation facilities, manure and other things. About irrigation and manure facilities I would point out a few things. This is not the time to go into the details, but there are just one or two points. As far as irrigations goes, either the people resort to canals or to wells.

Now, with regard to canals, in the whole of the United Provinces these are opened intermittently, and the result is that whenever the cultivator requires water he does not get it; he has to wait for a month to irrigate his field. If there is a constant supply of water, naturally he will be able to grow better varieties of cane. This is the reason why he does not want to replace his canes by other varieties of canes; not because he is conservative but because he does not get a sufficient water supply from the canals at a time when he needs it. The intensive cultivation of any crop requires better facilities, and no man would go in for it—as it entails greater cost—unless he is assured that at least he will get sufficient water at the proper time.

Then again, Sir, there is a very good recommendation of the Sugar Committee about electrical energy being produced from the different falls in the United Provinces. I know, Sir, the Superintending Engineer, Meerut Division, told me that the United Provinces Government has applied to the Central Government for a loan for developing the energy at Bobla. More than 3,000 horse power is available there, and there are a good many falls of that nature on the Ganges canal from which electrical energy can be produced, and if that energy were utilised for working tube wells in the Meerut and other adjoining districts, there will be sufficient amount of water facilities. But I am afraid, Sir, that about 500 horse power has already been taken for luxury purposes to light and supply fan to the urban area and the balance of power available will also be utilised in the same manner as the Government considers that unless the illiterate people are willing to enter into contracts for electric energy they can do nothing in the matter. It is certainly an absurd proposal. If the people are illiterate and do not understand the case of the energy, the Government ought to put their own tube wells, give water to the cultivators and charge water rates. That is one method, or you can sell the entire energy available to the District Boards and it may be utilised for irrigation and other agricultural purposes by them. At any rate I consider that the first claim to all these falls should be that of the cultivators, and they should be told that it is to their advantage to utilise this energy. If we can obtain this electrical energy we shall be able to crush our canes at a very low cost and at the same time the percentage of juice extracted will be much higher than we get to-day. There will be water facilities available and the country will be in a much better and prosperous condition.

There is another point, Sir, to which I should like to invite the attention of the House, and that is with reference to manures. In this country there are no manures available, and the only manure that you can recommend to a cultivator is the green manure, but he is charged the same rate for it as he would have paid for ripening the same crop. I do not think the Government is justified in doing so. After all, the crop that is used for green manure does not require the same amount of water as is required for maturing the same crop. If the water rates for green crop are abolished, the manure will be available at a very cheap cost. With regard to manure, I am shocked to find that the amount of oil cakes and bone meal exported from this country is daily increasing, and it is a matter for regret that the Government has not taken steps to levy higher duties to prohibit the export of these commodities. We find, Sir, the export of oil cakes increased from 91,000 tons valued at 211

[Mr. Mukhtar Singh.]

lakhs to 236 lakhs tons valued at 258 lakhs. And about the bones and bone meal, the same is the story, and there has been an increase in the export of bone and bone meal. The Government has not realised this even to-day. I am sure the phosphoric contents of our soil are decreasing practically every day, and that is why the vitality of our people is also decreasing. A comparative analysis of the grains produced in this country with those produced in other countries will, I am sure, disclose the glaring fact that the phosphoric contents of the grains grown here are much less. The only phosphoric supply is contained in bone, and what steps have Government taken to ask the people to use this commodity? If there was bone meal available, we could very well distribute it among the people and ask them to use it and if they were satisfied with its results, certainly there would have been a very great demand for it. I know, Sir, from personal experience that only a few years ago there was no demand for oil cakes in my province. But the Government purchased a very large quantity of oil cakes and distributed it among the people, and the result was that next year there was a very big demand for oil cakes all over the province, and large quantities of oil cakes are being consumed to-day as manure. The Government has got their own factory at Manori where oil cakes and decorticated seeds and other things are sold. These things can very well be distributed by the Agricultural Department themselves.

Then the other recommendation is that scholarships should be awarded to suitable graduates to encourage them to go abroad to study the cultivation of sugar-cane and the manufacture of sugar, so that when they return to this country after completing their education they might be able to instruct the cultivators and thus help the development of the industry. In the Resolution, Sir, there is a recommendation to offer at least three dozen scholarships to Indian graduates to study the scientific and up-to-date methods of sugar-cane cultivation and sugar manufacture. I hope the Honourable Member will not consider this number a very excessive one, because there are many countries growing sugar-cane and manufacturing sugar with different sorts of soil and different methods of cultivation, and it is therefore very necessary that we should have people with experience of different countries different climates and different soils, so that they may be able to take charge of different places which have varying climates in this country. India is not a small place. Even in our province we find that different climates and soils exist, and therefore it is necessary that a number of people should go abroad to study the sugar industry under different conditions so that they may tell the people here what is the right method to adopt in the different provinces. I am not at all disappointed, Sir, that our industry will not be able to compete with the industry in other countries, because if the Government affords us the necessary facilities we shall certainly be able to compete with any country in this matter. I know, Sir, Java at one time was producing much worse qualities of canes when they started the cultivation of sugar-cane, and Java was forced to import canes even from India for cross breeding, and after that they could produce very good qualities of canes there. If you had started at that time possibly you would have done the same thing. But we find, Sir, that even to-day though the recommendation was quite clear that thick and medium canes should be developed

the development of thick canes have not been taken at all. Only recently I was told that they have begun some work in thick canes.' I would submit, Sir, that the Sugar Committee found that the indigenous canes of this country are absolutely free from disease. That is the main point with our canes, while the imported canes have many diseases. That is why our indigenous canes have survived for so many years in this country. If you want to substitute these canes by better canes you will have to see that the new diseases are not imported along with the canes. Different canes will have to be found for different soils and climates of this country. The differences in climate and soil will be quite apparent from the fact that in the United Provinces there are places which can produce sugar-cane without irrigation, and even in places where irrigation is necessary only five waterings are enough, while in Bombay we have 17 waterings for sugar-cane. This clearly shows under what different circumstances we are working. There is so much difference in climate and soil that it is very necessary that a large number of people should learn the manufacture of sugar and the cultivation of cane, so that they may be able to give some advice to the people living in different parts and working under different climates.

**Mr. President:** The Honourable Member has left the Standing Order regarding the time limit far behind.

**Mr. Mukhtar Singh:** I am very sorry, I shall not take more than five minutes.

**Mr. President:** Order, order.

**Mr. Mukhtar Singh:** Only a minute, Sir. I have not said anything about the last item (g). I would simply point out that on page 17 of the Sugar Committee's Report they clearly said that we should provide the same facilities in the way of an institute in this country as Java has.

**Pandit Thakur Das Bhargava (Ambala Division: Non-Muhammadian):** Sir, I move:

"That at the end of the Resolution the following be added:

(h) to take steps to impose protective duties on the import of sugar into India, and

(i) to arrange that railway freights regarding sugar and jaggery be adjusted in such a way as best to promote the interest of the sugar industry."

Sir, I am not a sugar expert, nor am I a cultivator of sugar. But the sugar industry is a national industry in every sense of the word and it is one of those industries in which lakhs and lakhs of my countrymen find employment and their livelihood. In India, where many people are vegetarians also, sugar enters very largely into their daily victuals. I can remember from my childhood many orthodox people among Hindus who would not touch foreign sugar, and even now I can count many relations of mine who have not touched foreign sugar in their whole life, and there is good reason for it. The other day the Honourable the Leader of the House was pleased to remark that Great Britain wanted to see India prosperous and happy. I have no reason to doubt that statement, Sir. If India can remain happy and prosperous without any of her interests clashing with those of Great Britain I do not doubt for a moment the complacent attitude of the members of the Government. But if the interests of India do come into clash in any respect with the interests of Great

[Pandit Thakur Das Bhargava.]

Britain, I think it is my duty to submit that the policy of the Government has so far been that the interests of the weaker must go to the wall. The history of the sugar industry in this country, if it is indicative of anything, is indicative of the fact that the interests of the sugar industry in India have been sacrificed by the benign British Government for the interests of Mauritius, her own colony. There was a time in the history of India when sugar was exported out of India in very large quantities.

**Colonel J. D. Crawford** (Bengal: European): I rise to a point of order, Sir. Is there a quorum?

**Mr. President:** When was the last count taken?

**Mr. G. S. Bajpai** (Secretary, Department of Education, Health and Lands): Ten minutes after three.

(The time at this moment was 5 minutes to 4.)

**Mr. F. W. Allison** (Bombay: Nominated Official): Seven minutes to three was the exact time.

**Mr. President:** I am told by Mr. Bajpai that it was ten minutes after three.

**Mr. G. S. Bajpai:** I was not a very careful observer of the time. I have just stated my opinion about it.

**Mr. President:** As there is some difference of opinion I would not like to take the recount now. I will wait till ten minutes past four.

**Pandit Thakur Das Bhargava:** I was submitting, Sir, that there was a time when India exported sugar in very large quantities. There was enough to satisfy the domestic needs of the country and the surplus produce was exported to England and other countries. As far back as 1800 the exports of sugar from India to Great Britain amounted to 120,471 cwts. In 1821 the export amounted to 277,228 cwts. and in 1840 they increased to 1,000,000 cwts. In the year 1847-48 the total exports from India were in the neighbourhood of 1,229,000 cwts. valued at about Rs. 1,66,28,524. Now, Sir, if we study the history of this commodity we will find that there are about three or four cycles into which it can be divided. As I am afraid that after ten minutes it will be held that there is no quorum I will not go into those details at present. Without going into the history I will only point to one aspect of the question, and that is this. In the year 1899 when the sugar industry of Mauritius was hit by the competition of Austria and Germany and other places, all the commercial interests of Mauritius and the colonies made a great row and they went to the Secretary of State and he sent the draft of an anti-bounty legislation to India. Though one Governor General had the courage not to put that legislation into force his successor took the opportunity and passed the anti-bounty legislation. The effect of that legislation was especially propitious to the interests of Mauritius. In that inquiry and in those days the indigenous interests of India were not paid any heed to whatever. Subsequently, when it came to be found out that the Mauritius industry was killing Indian interests outright, in 1911 an attempt was made by Pandit Malaviya and others to ask the Government to impose protective duties, and the late Mr. Gokhale asked for an inquiry to be made, and the Government



had not at that time even the courage to order an inquiry and do some sort of justice to India. Subsequently, after that, had it not been for the intervention of the war, by this time the sugar industry would have been killed. But fortunately in times of war the dying sugar industry got a fillip, and to-day we find that the industry is in a normal condition in the sense that it has not got the advantages which the times of war afforded and we can see to-day how the industry stands. It would pain all the Members of the House to see that that sugar industry is in a moribund condition, and unless the Government came to its aid in proper time, the industry would have seen its last days. It has been pointed out by my friend, Mr. Mukhtar Singh, how the cultivator cannot make both ends meet so far as the cultivation of sugar is concerned. Now, Sir, as I have submitted, from a long time past the attempt of Indian publicists has been to ask this Government to impose protective duties. When the Sugar Committee was appointed, we know they made recommendations in regard to the promotion of this industry, but so far as duties were concerned, they desisted from making any specific recommendations. They were under the impression that since Fiscal Commission was coming on, they should rather postpone this matter for the consideration of the Commission so that on page 348 you will find the recommendation which they made and which I need not repeat. Subsequently, Sir, the Fiscal Commission came in and they also desisted from making any specific recommendations. To-day the position is this that since 1920 there has been no inquiry, and unless an inquiry is made and justice is done to this industry, it is bound to suffer grievously. England wants to protect such industries, it would seem, in which her interests do not clash with those of herself. I am in haste, Sir, and I think I have finished the first point.

As regards the second point (i) of the amendment I would only submit that the Fiscal Commission inquiry (paragraph 126) was not followed up and a complaint is always made in regard to this particular. Last time at the time of the discussion of the Railway Budget this thing was pointed out, and I would add my feeble voice to the voice of my countrymen that the railway authorities should conduct themselves in such a manner that this industry finds all the help which the State can give.

With these words, Sir, I support the amendment.

**Mr. G. S. Bajpai:** Sir, I should like in the first place to congratulate Mr. Mukhtar Singh on a very thoughtful speech. It is of good augury for the future of agriculture in this country that practical agriculturists like my friend, Mr. Mukhtar Singh, should have an interest in the application of science to agriculture. He has traversed very wide ground, Sir, so has the Honourable Member who followed him; and I do not think that at this late hour it is desirable that I should try to follow my friend, Mr. Bhargava, into the historical excursus which he made, or, for that matter, try and answer point by point all that my friend Mr. Mukhtar Singh, had to say about what he imagines to be the sins of commission and omission of Government. The position is that the Government of India, when the Report of the Sugar Committee was received, found themselves faced with two factors. One was the impending transfer of agriculture to the provinces and the leaving to provincial Ministers of the control of agricultural administration. The other factor, and a very important factor, with which they found themselves faced was financial stringency. What happened, therefore, was that the bulk or to be precise nearly half, of the recommendations made by the Sugar Committee

[Mr. G. S. Bajpai.]

which related specifically to provinces or particular areas were quite naturally left to the provinces to deal with. The main recommendations which concerned the Government of India were (1) the formation of a Sugar Board, (2) the foundation of a Research Institute, and (3) the establishment of a pioneer sugar factory in Northern India. The Sugar Board, about the non-creation of which Mr. Mukhtar Singh has complained, was intended by the Committee to look primarily and exclusively after the work which was to be entrusted to this Research Association the establishment of which the Committee recommended. Now the cost of founding this Research Institute as well as of the pioneer sugar factory was in the neighbourhood of Rs. 91 lakhs non-recurring and the recurring cost of running the Research Institute and the Board was estimated at something like Rs. 12 lakhs per annum. In the post-war financial stringency it was not possible for the Government of India to undertake expenditure running into 91 lakhs non-recurring and 12 lakhs recurring. That really was the reason why it was not found possible by the Government of India to give effect to those three recommendations,—not any lack of sympathy with the industry or any lack of desire to see that industry placed on a modern and scientific basis. But certain other recommendations which it was in their power to give effect to without waiting for better or improved financial prospects were given effect to, and I shall mention two. One of these was the establishment on a more effective basis of the Sugar Bureau at Pusa,—this Bureau has done extremely good work during the last few years. I shall describe its activities briefly. It maintains a library of information relating both to the cultivation of sugar-cane and to methods of the manufacture of sugar. Then it has a well-organized cable service which it has utilised to collect information about sugar crops and the manufacture of sugar abroad and to disseminate that information to those who are interested either in the cultivation of sugar or in the manufacture of sugar in this country. The third thing which this Bureau at Pusa does is to give such scientific or technical advice as Local Governments or firms engaged in the sugar industry may require. Mr. Wynne-Sayes is a specialist and he has I think only recently returned from a trip to Bombay where the Local Government had asked for his assistance—assistance which was very readily given. The second or, rather, another recommendation of the Sugar Committee to which the Government of India have already given effect is the taking over of the cane-breeding station at Coimbatore in Southern India. Until 1925 that station was under the control of the Provincial Government. Since then it has been under the control of the Government of India. Nearly a quarter of a million rupees have already been spent on the extension of that institute, and according to the latest report which I have I find that the medium quality of sugar-cane which they have produced at that station is becoming rapidly popularized in Bihar and Orissa and also in the Punjab.

So, Sir, it is not strictly speaking correct to say that the Government of India have completely shirked their responsibility or that they have been apathetic to the interests of the sugar industry or to the requirements of the cultivation of sugar-cane. They have, consistently with their resources, done what it was possible for them to do, and consistently the constitutional position, they have done what it was proper for them to do. When I say that, I do not contend that all that it is possible for

the Government of India to do, bearing in view the all-India character of this industry and the desirability of co-ordinating research and unifying action in regard to research, and, what I might call, experimentation in regard to pioneer methods of manufacture, has been done. My Honourable friend Mr. Mukhtar Singh said that he thought that the Government of India were really playing with the recommendations of the Sugar Committee, that they were more interested in promoting the sugar industry in Mauritius and elsewhere seeing that Mauritius was entirely incapable of competing with the highly scientific and economical product of Java, that they had given up all interest in the Indian industry. That, Sir, is not the position; they are not playing with the Report of the Sugar Committee. I have given a few instances of what they have done; and although it is perfectly true, as Mr. Mukhtar Singh says, that the sugar industry as such or the cultivation of sugar as such, does not figure in the questionnaire of the Agricultural Commission, I avail myself of this opportunity to inform him that the Agricultural Commission has been paying special attention to the report of the Sugar Committee. It was because the Sugar Committee had made a special investigation of this industry and of problems relating to or connected with this industry that it was not considered necessary by the commission to re-cover or re-traverse the ground covered by the Sugar Committee. They thought they would take over the report and make it the basis of investigation and recommendations in the altered constitutional position which exists in India to-day; and I may further inform the House, Sir, that evidence was actually laid before the Royal Agricultural Commission by the Indian Sugar Producers' Association and by others interested in this industry; and the Government of India hope, Sir, that as a result of the fresh examination of the problem which the Royal Agricultural Commission has been able to undertake, they will have valuable and more up-to date recommendations in connection with or relating to the cultivation of sugarcane and to the manufacture of sugar.

**Mr. Mukhtar Singh:** The questionnaire issued by the Royal Agricultural Commission does not contain any question pertaining to the sugar industry as such.

**Mr. G. S. Bajpal:** I am sorry, Sir, that I did not make myself clear to my friend Mr. Mukhtar Singh. I did admit that the Commission did not issue a detailed questionnaire about the sugar industry; but the reason for that, as I explained, was that they had before them the Report of the Sugar Committee which was fully exhaustive and which had traversed the whole field; and I further said that special evidence was laid by those primarily interested in the manufacture of sugar in this country, namely, the Indian Sugar Producers' Association. It is regrettable that the Commission did not realise the special and the keen interest which my friend opposite had taken in the cultivation of sugar; otherwise I am quite sure that they would have availed themselves of the opportunity afforded by my friend appearing before them to elicit such information as they could from him and from his personal experience. So, Sir, the position is not that the Government of India are apathetic to the industry or that they are neglectful of the recommendations made by the Sugar Committee. They are now awaiting the recommendations of the Royal Commission on Agriculture who are seized of this problem and I can assure my Honourable friend opposite that the recommendations made by that Commission as well as the suggestions which my Honourable friend has made in the course

[Mr. G. S. Bajpai.]

of the discussion to-day—and they or, some of them at any rate, are very valuable suggestions—will receive the prompt and sympathetic consideration of Government as soon as the Report of the Royal Commission on Agriculture is received. Of course we are hoping that the Report will be published by the end of next month and we shall proceed to the examination of it as soon after that as possible.

I do not propose, Sir, to go into the detailed recommendations which are embodied either in the main Resolution or in the amendment which has been moved by Pandit Thakurdas Bhargava. I would say this, that a good many criticisms of detail which my friend Mr. Mukhtar Singh made ought really to have been addressed to the Government of the United Provinces and also discussed in the United Provinces Legislative Council.

**Mr. Mukhtar Singh:** May I inform my Honourable friend that I have done it and I have failed, because I was told there that the work was for the Central Government to do. I was in the Council when the Sugar Committee's Report was published.

**Mr. G. S. Bajpai:** I am sorry, Sir, that judging from what he has stated, the Government of the United Provinces should have tried to put off my Honourable friend. The Government of India will consider the desirability of forwarding to the Government of the United Provinces his complaints and his suggestions for such action as it may be within their province to take. But there is one point, Sir, which I would like to lay stress on, and that is the proposal to earmark a large part of the surplus that may accrue from the quantitative or specific import duty on sugar, which has been imposed since 1925. The Honourable the Finance Member, Sir, the other day stated a financial truism which nevertheless embodies a sound financial principle that you cannot earmark the yield of a particular source of revenue for particular objects. There must be a common fund for purposes of expenditure and from that common fund you must make grants or you must set apart sums of money according to the exigencies of the situation. But I would remind my Honourable friend opposite that in the questionnaire which the Royal Commission issued both the question of tariffs and of sea freights occurs. I will invite his attention to question No. 21 which says:

“Do existing customs duties, (a) import tariff, and (b) sea freight, adversely affect the prosperity of Indian cultivators; if so, have you any recommendations to make?” so that that part is covered by the questionnaire which has been issued by the Agricultural Commission; so also is the question of fertilisers which my friend Mr. Mukhtar Singh raised. In view, Sir, of the explanation which I have now given—I admit that it has been limited in view of the fact that the time at my disposal has not been as ample as I should have liked it to be,—in view further of the assurance which I have given that the suggestions made by the Honourable Member will be considered in connection with the recommendations. . . . .

**Maulvi Muhammad Yakub:** Have we got a quorum, Sir?

**Mr. President:** Order, order. (After counting the number of Honourable Members present.) As there is no quorum, the House stands adjourned till to-morrow morning, 11 o'clock.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 21st March, 1928.